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Agricultural Situation

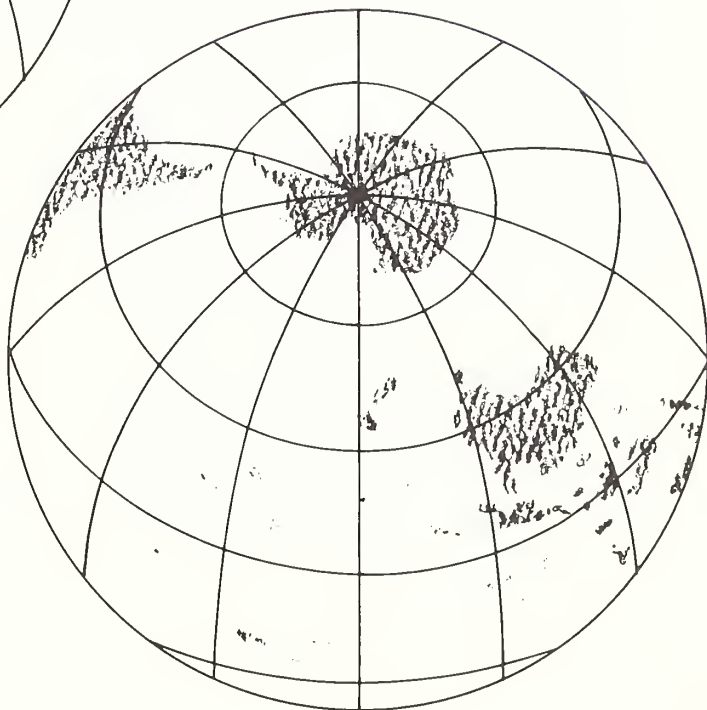
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World Food and
Agricultural Outlook
and Situation Board



U.S. DEPT. OF AGRICULTURE
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THE WORLD AGRICULTURAL SITUATION

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Washington, D. C. 20250

The *World Agricultural Situation* is published in June, September, and December. Agricultural situation reports for the world's major regions are published during March-May.

SUMMARY

World agricultural production (excluding China) may have increased a little more than 1 percent in 1977; despite a 2-percent drop in global grain output (table 1). The People's Republic of China appears to have about matched the world performance.

Agricultural output in the developed countries (including the centrally planned economies) rose about 1 percent, held back largely by a big decline in the USSR and also by declines in Canada and Oceania. The most notable gains resulted from the recovery in Western Europe and a substantial increase in U.S. output.

In the developing countries, a sharp increase in Latin American agricultural production and moderate gains in South and East Asia more than offset reduced production in Africa and West Asia, resulting in an overall increase in agricultural output of about 2 percent.

Total world food production (excluding China) also increased about 1 percent, with developed and developing countries both about matching the overall gain. Per capita food production was unchanged in 1977 or may even have declined a little, since population growth likely meant slightly lower per capita output in developing countries. The trend rate of growth in per capita output for the developing countries has been about 0.4 percent since 1960. The rate of increase in food production in 1977 about matched that for population growth in heavily populated South Asia and in Latin America, fell sharply below in Africa and West Asia, and was moderately below in East Asia.

Economic growth in developed countries in 1978 is expected to be about the same as in 1977, adding little stimulus to foreign import demand, and, with 1977/78 world food supplies generally above year-

Note: Unless stated otherwise, split years (e.g., 1976/77) mean July/June. Fiscal 1977 means October 1976/September 1977. Tons are metric and dollars are U.S. unless otherwise specified.

earlier levels, U.S. export prices are likely to average lower. Consequently, U.S. agricultural exports may drop around \$2 billion from fiscal 1977's \$24-billion record, although export volume is expected to increase.

The world grain outlook continues much as reported early in the season—except for a substantial increase in the estimate of rice output—with overall production down and consumption up in 1977/78. Coarse grain stocks are still expected to build, although not as much as forecast earlier, but wheat stocks should fall somewhat.

World production of oilmeal is forecast to recover sharply in calendar 1978 because of good oilseed crops in most major producing regions. The resulting lower prices, especially when compared with those for feed grains, are expected to bring increased use of oilmeals in feed rations, particularly in the United States, the European Community (EC), and Japan. World production of edible vegetable oils is also expected to increase in 1978, and larger consumption should follow as vegetable oil prices retreat from their 1977 highs. Stocks of both meals and oils (most in seed form) are expected to increase.

The overall levels of meat production, consumption, and trade in the world's two largest meat consuming regions—the United States and the EC—were little changed in 1977 from 1976 and are likely to continue relatively steady into 1978.

World milk production increased an estimated 2 percent in 1977, with the largest gains in the USSR, the EC, and the United States. World butter and nonfat dry milk stocks remain in surplus, and more growth in stocks is expected, while cheese supplies and consumption should be in relative balance.

World sugar consumption is not expected to increase as sharply as the forecast 4-percent increase in production, and a sizable increase in stocks is expected. Implementation of the new International Sugar Agreement may lead to some recovery in sugar prices in 1978.

Coffee production is bouncing back from 1976/77's low level largely because of a substantial recovery in Brazilian output, but a return to more customary levels of output is not expected until at least 1979. Prices have weakened substantially in recent months but remain well above those of a few years ago. World cocoa production is also likely to greatly improve over 1976/77's short crop, and prices have moderated considerably.

World cotton production is forecast to increase sharply in 1977/78 because of excellent weather in most major producing countries, but demand may be relatively sluggish, resulting in a rise in cotton stocks. World tobacco output declined in 1977 from the 1976 record high. Consumption should increase a little in 1978, so a stock drawdown is expected for the third year in a row.

WORLD ECONOMY FACING SLOWER BUT STEADY GROWTH

Economic growth in developed countries during 1978 is expected to be about the same as the 4.2 percent in 1977 (table 2), but lower than the 1962-72 average of 4.6 percent and below past post-war recession recovery rates. However, these countries have made major adjustments since the 1973-75 period when most were struggling with soaring prices and costs and a severe recession that was compounded by the sharp increase in the price of petroleum. In this respect, the current world economic situation and prognosis for the next year should not be viewed with undue pessimism. While some countries, particularly Japan, appear to have entered an extended period of lower growth rates, other countries, including the United States, appear to be holding close to the previous long-term growth trend.

Concurrent with lower growth rates, unemployment rates have remained high; plant capacity has remained underutilized; and investment has lagged. These factors have con-

tinued to exist in an environment of high inflation. Although inflation rates remain higher than before 1973-1975, they have improved considerably since the 1973-75 period (table 3).

Unemployment also continues to be troublesome. None of the major developed countries have succeeded in lowering unemployment rates significantly since the recession. Typically, previous recoveries have seen fairly rapid growth in employment in the initial stages of recovery, but this recovery has been too mild to stimulate employers to increase hiring faster than the growth in the labor force.

Capacity utilization rates in the United States, Japan, Germany, France, the United Kingdom, Italy, and Canada are still below what they were in 1972-73 before the recession. Table 4 shows manufacturing capacity utilization and industrial production indices of the seven major OECD (Organization for Economic Cooperation and Development) countries.

Table 1.--Selected Indices of World Agricultural and Food Production (excl. China), 1961-65=100

| | Total agricultural production | | | | | Total food production | | | | | Per capita food production | | | | | | | |
|----------------------|-------------------------------|------|------|------|------|-----------------------|------|------|------|------|----------------------------|-------|------|------|------|------|------|-------|
| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977* | 1972 | 1973 | 1974 | 1975 | 1976 | 1977* | 1972 | 1973 | 1974 | 1975 | 1976 | 1977* |
| Developed countries | 123 | 131 | 129 | 128 | 134 | 136 | 125 | 133 | 131 | 130 | 137 | 138 | 115 | 121 | 118 | 116 | 121 | 121 |
| United States | 120 | 122 | 117 | 126 | 129 | 132 | 126 | 128 | 122 | 134 | 136 | 139 | 114 | 115 | 109 | 119 | 120 | 121 |
| Canada | 120 | 123 | 112 | 127 | 140 | 134 | 122 | 123 | 112 | 128 | 143 | 135 | 106 | 106 | 95 | 106 | 117 | 110 |
| Western Europe | 121 | 123 | 128 | 125 | 123 | 129 | 121 | 123 | 128 | 125 | 123 | 129 | 113 | 115 | 119 | 115 | 113 | 118 |
| Eur. Community | 119 | 122 | 125 | 121 | 119 | 126 | 119 | 122 | 125 | 121 | 118 | 126 | 112 | 114 | 116 | 112 | 109 | 116 |
| Eastern Europe | 132 | 135 | 140 | 137 | 143 | 143 | 132 | 135 | 140 | 137 | 143 | 144 | 124 | 127 | 130 | 127 | 131 | 131 |
| USSR | 129 | 155 | 145 | 130 | 153 | 149 | 128 | 155 | 144 | 128 | 152 | 148 | 117 | 140 | 129 | 113 | 133 | 129 |
| Japan | 110 | 110 | 110 | 115 | 110 | 115 | 110 | 110 | 111 | 115 | 109 | 115 | 100 | 98 | 97 | 100 | 94 | 98 |
| Oceania | 115 | 117 | 120 | 125 | 124 | 122 | 123 | 127 | 127 | 136 | 136 | 134 | 104 | 107 | 105 | 111 | 110 | 107 |
| Rep. of S. Africa | 143 | 119 | 148 | 139 | 140 | 147 | 150 | 125 | 157 | 146 | 148 | 156 | 118 | 95 | 117 | 107 | 105 | 108 |
| Developing countries | 125 | 131 | 134 | 141 | 145 | 148 | 126 | 132 | 135 | 145 | 149 | 151 | 100 | 103 | 103 | 108 | 108 | 107 |
| East Asia | 133 | 146 | 149 | 155 | 165 | 167 | 130 | 142 | 147 | 156 | 166 | 167 | 104 | 111 | 112 | 116 | 121 | 119 |
| Indonesia | 120 | 132 | 139 | 141 | 146 | 148 | 119 | 134 | 142 | 143 | 148 | 150 | 96 | 106 | 109 | 108 | 109 | 108 |
| Philippines | 133 | 143 | 146 | 163 | 173 | 175 | 134 | 145 | 147 | 165 | 175 | 177 | 103 | 108 | 107 | 117 | 121 | 120 |
| South Asia | 120 | 129 | 124 | 138 | 135 | 139 | 119 | 130 | 123 | 141 | 137 | 141 | 98 | 104 | 97 | 108 | 103 | 103 |
| Bangladesh | 103 | 117 | 109 | 123 | 117 | 118 | 102 | 119 | 114 | 129 | 120 | 122 | 82 | 93 | 87 | 96 | 87 | 86 |
| India | 119 | 129 | 122 | 139 | 136 | 139 | 119 | 130 | 121 | 141 | 136 | 140 | 98 | 104 | 96 | 109 | 103 | 104 |
| Pakistan | 156 | 157 | 162 | 155 | 163 | 173 | 152 | 159 | 163 | 161 | 175 | 180 | 117 | 119 | 118 | 114 | 119 | 120 |
| West Asia | 139 | 129 | 144 | 152 | 169 | 168 | 137 | 127 | 141 | 152 | 169 | 167 | 107 | 96 | 104 | 109 | 118 | 113 |
| Africa | 123 | 119 | 126 | 126 | 130 | 127 | 122 | 119 | 126 | 129 | 132 | 128 | 97 | 92 | 95 | 95 | 95 | 89 |
| Egypt | 119 | 120 | 118 | 119 | 122 | 126 | 122 | 124 | 125 | 131 | 135 | 137 | 97 | 97 | 95 | 98 | 98 | 98 |
| Ethiopia | 114 | 111 | 114 | 103 | 106 | 100 | 113 | 111 | 112 | 101 | 105 | 98 | 91 | 87 | 86 | 76 | 76 | 70 |
| Nigeria | 119 | 112 | 120 | 122 | 124 | 126 | 119 | 113 | 120 | 122 | 124 | 126 | 95 | 87 | 90 | 89 | 88 | 87 |
| Latin America | 125 | 130 | 138 | 141 | 145 | 153 | 130 | 138 | 144 | 151 | 159 | 164 | 102 | 105 | 107 | 109 | 112 | 112 |
| Mexico | 132 | 141 | 142 | 151 | 150 | 157 | 141 | 152 | 150 | 169 | 167 | 172 | 104 | 108 | 102 | 112 | 107 | 106 |
| Argentina | 104 | 115 | 122 | 123 | 133 | 135 | 108 | 120 | 126 | 127 | 138 | 139 | 95 | 105 | 109 | 108 | 115 | 115 |
| Brazil | 134 | 137 | 150 | 152 | 157 | 167 | 142 | 152 | 162 | 166 | 184 | 190 | 111 | 115 | 120 | 119 | 129 | 129 |
| WORLD | 124 | 131 | 131 | 132 | 138 | 140 | 125 | 133 | 132 | 135 | 141 | 143 | 110 | 115 | 113 | 113 | 117 | 117 |

* Preliminary.

Domestic economies of the non-oil producing developing countries were generally not so adversely affected by the world recession as were those of the developed countries. Consequently, the pattern of slowdown and recovery in economic growth in these developing countries has not been as pronounced. The average rate of expansion in output dropped from 6.5 percent in 1974 to 3.5 percent in 1975, recovered to about 5 percent in 1976, and probably was slightly higher in 1977. The biggest problems these developing countries face are internal inflationary pressures and, for some, a shortage of foreign exchange. Prices of some raw materials like rubber, tin, and lumber that these countries export have been rising this year. Other materials, like copper and agricultural commodities such as coffee are receding from previous highs.

The current account surplus position of OPEC (Organization of Petroleum Exporting Countries) members is projected to be near \$37 billion in 1977, down from \$41 billion in 1976, but close to the \$35-billion surplus of 1975. The relatively low 1975 surplus and 1976 rebound can be largely attributed to cyclical factors, particularly those affecting the volume of oil exports. The combined surplus of the major oil exporters is concentrated in countries of low import absorptive capacity. Thus, while it is expected that the trade surpluses of these countries will decline with time, they will decline slowly.

East European countries face varying degrees of concern with regard to external debts, particularly with hard currency countries. Poland and Bulgaria have the heaviest debts. Czechoslovakia has the capacity to undertake more debt, while Hungary is the most creditworthy of the group. East Germany has access to Western markets through its trade relationship with West Germany. Yugoslavia and Romania appear not to have serious debt problems, and their access to World Bank and International Monetary Fund loans gives them more flexibility.

In the past 2 months, the U.S. dollar has weakened considerably against the Japanese yen, the German mark, and the Swiss franc. However, when changes in the dollar's exchange rate are weighted by the aggregate trade shares of all U.S. trading partners, the effective depreciation is reduced. For the United States, the cost of buying foreign currencies with which to purchase all imports has risen 2 percent since the end of 1976 (table 5). However, during the same interval, the dollar—as measured by an index of 67 countries which buy our exports—became more expensive by 2.9 percent. This apparent contradiction can be explained by the direction of U.S. trade. A substantial portion of U.S. exports go to countries whose currencies have depreciated vis-a-vis the U.S. dollar, while some of the countries from which we import have appreciated their currencies strongly against ours. (*A. Vellianitis-Fidas: 202-447-7590*)

WORLD PRICE DEVELOPMENTS

In October, U.S. export commodity prices strengthened from recent months, but most agricultural commodities in international trade—including corn, grain sorghum, soybeans, soybean oil, and soybean meal, cotton and sugar—were priced below year earlier levels.

U.S. export grain prices were at their lowest level in 4 years in October. Coffee prices, after peaking in April, nearly slid to last year's levels, but cocoa beans—which peaked in July—were still higher than last year. Wheat prices appear to have ended their year-long slide, and were priced at about the same level as last year. Rice, imported cow meat, and rubber were above last year's level.

Farm Commodity Prices

U.S. farm product prices were on the upswing in November from mid-September lows. U.S. Farm gate prices for most commodities were higher than a year earlier. Those for grains and oilseeds had gained in recent months but were lower than a year ago. Cattle and hog prices, however, had

slipped from recent gains but were still higher than a year earlier.

Farm prices also dropped from the second quarter of 1976 to the second quarter of 1977 in West Germany, the Netherlands, and Belgium (table 6). The recovery in potato production was a major factor in the sharp decline in prices. Other EC (European Community) countries had rising farm product prices. EC and Japanese farm level grain prices, influenced by support programs, continued to strengthen counter to declines in international grain prices.

Through the second quarter of 1977, EC beef prices were higher than a year ago, while pork prices were lower. Japanese farm prices for beef had dropped from a year earlier.

Third quarter Canadian farm product prices were nearly the same as a year earlier. Initial grain payments to Canadian grain growers for the 1977/78 crop were set at the same level as last year, but final payments are expected to be less than last year. Beef and pork prices were both higher than a year earlier.

Prices of Farm Inputs

The index of prices paid by U.S. farmers for agricultural inputs rebounded in November after recent declines. The index was still 5 percent higher than a year earlier, cutting into farm receipts. While feed prices were lower, feeder livestock, fuel, machinery, wages, interest, and taxes were all higher. Price relationships shifted from a year earlier so that feed-livestock price ratios were improved for milk, hogs, broilers, and turkeys, but lower for eggs.

Japanese input price hikes of 6.5 percent were still outpaced by farm level commodity prices (table 7). However, rising feed costs, coupled with corresponding declines in beef and pork prices and only moderate increases in dairy and poultry prices, may be cutting into profitability of livestock feeding enterprises.

In the United Kingdom, third-quarter mixed feed price hikes also cut into livestock feeding profitability, while third quarter West German input prices declined slightly, with livestock feed prices dropping significantly.

Export and Import Prices

The October U.S. export price index was 10 percent lower than it was a year earlier, but was up slightly from a month earlier. The index has declined from year-ago levels as lower prices for wheat, corn, and cotton more than balanced price increases for tobacco, milled rice, inedible tallow, and nonfat dried milk. Soybean meal prices have dropped sharply recently; in October they were below a year earlier.

U.S. import prices in October were 13 percent higher than a year earlier. Import unit values for cocoa beans were still on the upswing through October, while coffee continued to decline from the May peak.

In relation to October 1976, import unit values for coffee, rubber, wine, cocoa beans, tobacco, bananas, hams, and wool were higher, while prices for imported beef and veal, cattle, and tomatoes were lower.

While Japanese and West German import prices generally moved in the same direction as U.S. import prices, there were notable exceptions. Third quarter West German soybean, soybean oil, and soybean meal import unit values were already on the downswing, while imported beef unit values were strengthening (table 8). Despite the general decline in world grain prices, West Germany and other EC users continue to pay more for grain because of the EC minimum import price system.

Consumer Food Prices

The October U.S. consumer price index (CPI) for food was 7 percent higher than a year earlier but down from the 2 previous months. Meat and poultry, fresh fruits, coffee, processed fruits and vegetables, and fats and oils were priced higher than a year earlier, while eggs, sugar, flour, rice, and many fresh vegetables were priced lower.

From the second quarter of 1976 to the second quarter of 1977, U.S. consumer prices for food rose 6 percent (tables 9 and 10). Bangladesh, Sri Lanka, Belgium, Canada, West Germany, Japan, Malaysia, and Malawi, also were experiencing moderate food price increases.

In contrast, countries reporting food price increases of more than 40 percent include Argentina, Brazil, Colombia, Peru, Uruguay, Egypt, Jordan, and Portugal.

U.S. consumer expenditures for food in 1976 were only 15 percent of disposable income, less than for any major developed country except Canada. (*H. Christine Collins: 202-447-8646*)

RISING WORLD FERTILIZER OUTPUT AND USE¹

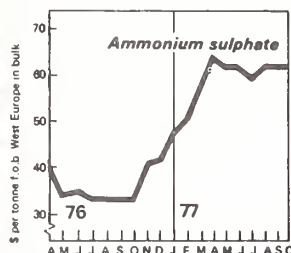
Preliminary estimates anticipate that total world fertilizer consumption would reach nearly 96 million tons of nutrients in 1976/77. This is an increase of about 8 percent over 1975/76 levels and another record high for world fertilizer con-

sumption. Improved rainfall in Western Europe and record high levels of fertilizer use in the United States were important factors in the rise. Fertilizer use in developing countries is also increasing; India, for example, expanded consumption in 1976/77 by nearly 18 percent over the previous year and Brazil's consumption is expected to grow by about 13 percent in 1977.

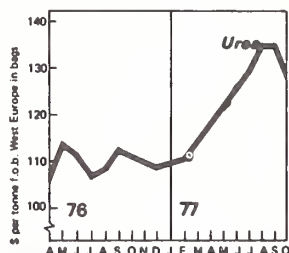
World supplies of nitrogen were likely up about 5 percent to 46 million metric tons, while phosphate and potash supplies were up 23 and 12 percent, respectively. In 1977/78, nitrogen supplies are

¹This section is based on a more detailed discussion contained in the *1978 Fertilizer Situation*, December 1977, published by the Economic Research Service. Supply and demand projections are based on data of the FAO/UNIDO/World Bank Working Group on Fertilizer. All references to split years refer to the *July-June* fertilizer year.

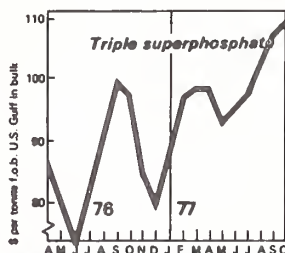
RECENT INTERNATIONAL PRICE TRENDS FOR PRINCIPAL FERTILIZERS



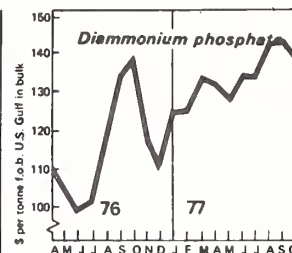
The rough balance between supply and demand for ammonium sulphate has been maintained



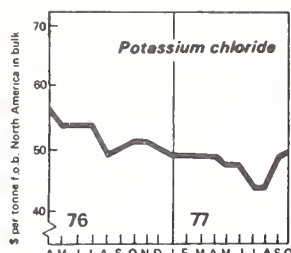
The poor U.S. autumn season is leading to weaker prices and increased export availability. However, this tendency may be counterbalanced by purchases by India and Pakistan.



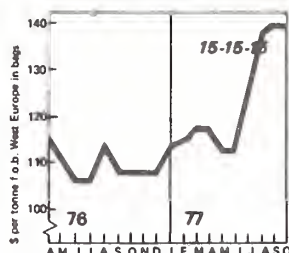
Prices have remained firmer than for diammonium phosphate, the margin between the two products having fallen to around \$30 per tonne.



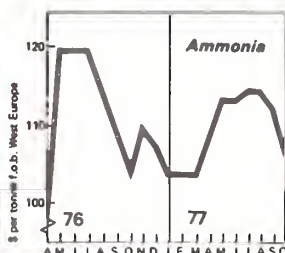
The price is weakening following the September peak of \$145. It could well fall through to the end of the year owing to the weak level of U.S. demand.



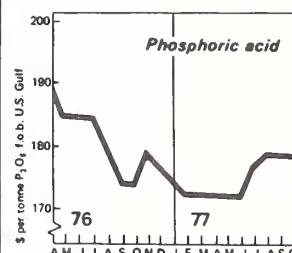
Prices have continued to firm during the last quarter. However, there is some apprehension that U.S. buyers have bought in excess of their needs which may result in a weakening of the market during the next month.



Prices in recent tenders have shown no apparent weakening although continued inactivity could lead to a softening in prices.



A gradual increase in supplies for export has contributed to the continuing depression in the ammonia market.



The price has remained fairly stable, the tender in India having helped to maintain prices

Source: British Sulphur Corporation, Fertilizer International, No 101, November, 1977, p. 5

expected to be up over 10 percent, while phosphate and potash supplies will each be up 4 to 5 percent.

The trend of increasing fertilizer supply availability continued through 1976/77 and persists at present. International prices for most products reversed their downward plunge early in 1976/77. Fertilizer prices moved moderately upward for most products in 1977, with the exception of potassium chloride which suffered from excess supplies, but softened in late 1977 partly due to sluggish fall fertilizer demand in the United States. Farmers in the United States have cut down on their usual fall fertilization because of unsuitable weather and uncertainty over the effects of the acreage set-aside programs for wheat and feed grains.

It is too early to predict whether the current price "pause" will persist into the normally brisk spring fertilizer season. However, scheduled additions to already excess production capacities and uncertainty of demand in the very important North American market should ease the upward pressure on prices in 1977/78.

Nitrogen

Principal features in the world nitrogen fertilizer market include expanding demand (estimated at

45.9 million tons in 1976/77 and 49.6 million tons in 1977/78), even more rapidly expanding production capacities, and new international nitrogen trade patterns.

A massive expansion of nitrogen fertilizer production facilities is scheduled for 1977/78 that is expected to add about 10 million tons and 9 million tons per year of additional urea and ammonia capacity, respectively.

In 1976/77, South Korea and Indonesia became new export suppliers of ammonia to East Asia, while Japan's urea exports slumped to below 1 million tons for the first time in over 10 years.

China, Pakistan, India, Brazil, and Iran are expected to satisfy more of their nitrogen needs from expanded domestic production in 1977/78, thus reducing their imports. Meanwhile, Libya, Mexico, the Soviet Union, and Canada are expected to add to world ammonia supplies offered for export.

Phosphate Rock and Phosphate Fertilizer

Demand for phosphate fertilizers is also expanding; estimates peg nutrient demand at about 26.3

million tons in 1976/77 and 28.2 million tons is projected for 1977/78. Expansion of demand for phosphate rock is estimated at 10 percent for 1977/78.

The world trade arena for phosphate rock in 1977 witnessed the attempted formation of an Afro-Arab exporting consortium including Morocco, Tunisia, Jordan, and Senegal. However, this attempt has, thus far, been unsuccessful. Morocco has worked to diversify its markets with expanded exports to Latin America, and even made her first export of rock to the United States this year. The United States, however, has replaced Morocco as the major supplier to Poland. Sales of Florida rock in both Eastern and Western Europe have grown.

Potash

Preliminary estimates of 1976/77 world potash demand vary, but indications are that demand increased by at least 6 percent. Demand should continue to grow in 1977/78, and export expansion seems assured. North American potash exports climbed by nearly 12 percent in 1976/77 and may expand even further in 1977/78 since there are indications of increased import requirements in Brazil, India, Japan, and Southeast Asia. North American potash exports during the first quarter of the 1977/78 fertilizer year have been considerably ahead of the same period in 1976/77. (*Richard Rortvedt*, National Economic Analysis Division: 202-447-5457).

U.S. AGRICULTURAL TRADE

The surplus in U.S. agricultural trade exceeded \$10 billion in fiscal 1977 for the fourth consecutive year. Agricultural exports rose 6 percent in value to \$24 billion, and imports were up 27 percent to \$13.4 billion.

The United States recorded a \$34-billion deficit in its trade in nonagricultural goods in fiscal 1977, compared with \$14 billion a year earlier. Higher-priced imported crude petroleum accounted for about half of that increase.

Prospects Fair for Fiscal 1978 Agricultural Exports

The U.S. index of agricultural export volume is expected to increase from 176 to about 188 (calendar 1967=100) in fiscal 1978. However, the export price index may fall from 213 to 181. Thus, the total value may drop to around \$22 billion.

Wheat exports will account for much of the anticipated volume increase in fiscal 1978 (table-11). With a shorter world crop, U.S. wheat exports will recover strongly from fiscal 1977's 25 million tons. Increases are expected for shipments to the USSR, Latin America, East Asia, the Middle East, and Eastern Europe.

Feed grain exports are not expected to expand much in fiscal 1978. Larger shipments to most regions are likely, but these increases will be nearly offset by a reduction in shipments to Western Europe and Latin America. Several uncertainties remain about the feed grain export projections: Soviet import decisions, 1978 livestock feeding in Western Europe, and the size of Southern Hemisphere corn and grain sorghum crops.

U.S. soybean exports are expected to increase by a tenth in volume in fiscal 1978, and protein meal shipments may also rise. Lower prices and

U.S. Agricultural Exports: Value, quantity
and price indexes

| | 1974/75 ¹ | 1975/76 ² | 1976/77 ² | Forecast 1977/78 ² |
|--|----------------------|----------------------|----------------------|----------------------------------|
| CY 1967=100 | | | | |
| Value index | 338 | 357 | 376 | 345 |
| Quantity index | 147 | 172 | 176 | 188 |
| Animal products .. | 136 | 154 | 170 | — |
| Cotton, including linters | 103 | 84 | 115 | 118 |
| Grains and preparations | 156 | 192 | 182 | 195 |
| Oilseeds and products | 158 | 195 | 197 | 211 |
| Tobacco | 112 | 105 | 114 | 96 |
| Price index | 231 | 207 | 213 | 181 |
| Animal products .. | 182 | 206 | 225 | — |
| Cotton, including linters | 213 | 233 | 285 | 239 |
| Grains and preparations | 263 | 225 | 191 | 168 |
| Oilseeds and products | 245 | 192 | 259 | 184 |
| Tobacco | 158 | 171 | 184 | 197 |

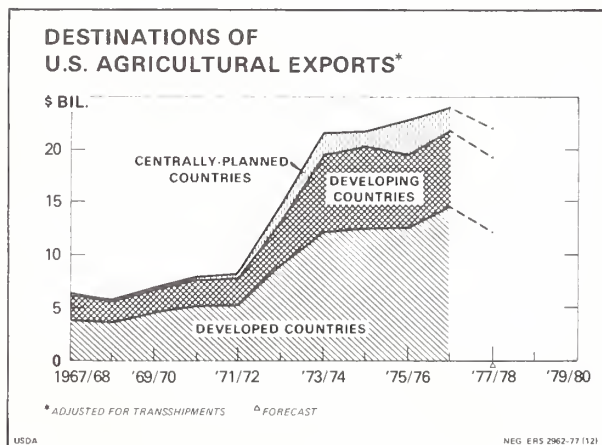
¹ July-June year. ² October-September year.

increased U.S. availabilities are boosting exports, and demand for protein feeds is expanding in many areas, particularly Japan and Eastern Europe.

U.S. cotton exports (excluding linters) in fiscal 1978 are expected to be around the 4.3 million bales of fiscal 1977. U.S. cotton exports to the developing countries of East and Southeast Asia are expected to increase, but shipments to Japan and Western Europe may decline.

U.S. tobacco exports may drop 15 percent in volume in fiscal 1978. The 1977 U.S. flue-cured

tobacco crop suffered from drought, and both quantity and quality slipped.



The value of U.S. agricultural exports to Western Europe and Japan is expected to drop substantially, largely because of lower prices. Exports to the USSR are expected to be sharply higher, and exports to Eastern Europe and the Middle East will likely increase.

Agricultural Imports to Continue Large

The value of U.S. agricultural imports is forecast at \$13.5 billion in fiscal 1978. Coffee, cocoa, and tea imports are expected to comprise 40 percent of the total import value. Coffee prices will average lower, but volume is likely to recover somewhat. Volume increases are also anticipated for beef, tobacco, vegetable oils, and bananas. Sugar imports could drop 5 to 10 percent in volume. (*Sally Breedlove Byrne: 202-447-8260*)

SOVIET DEVELOPMENTS ALTER THE WORLD GRAIN SITUATION

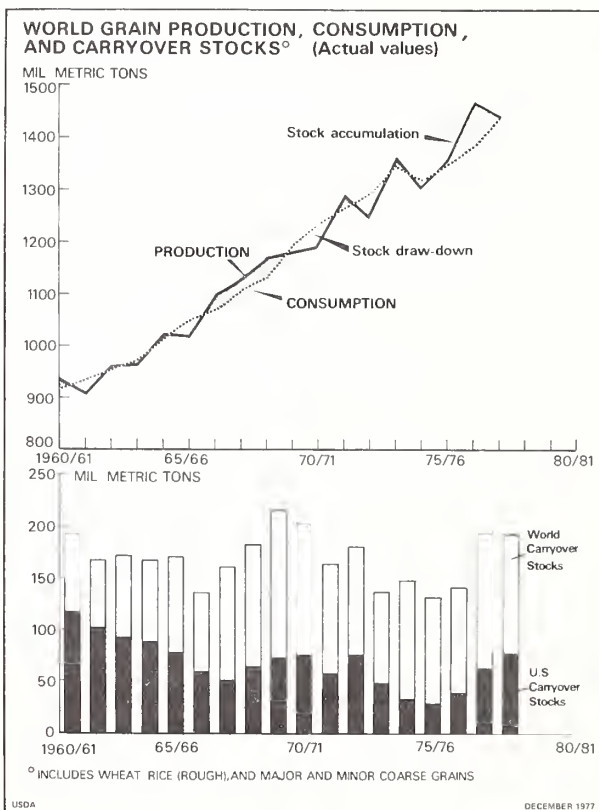
Production

World production of grain, including wheat, coarse grains, and rough rice for 1977/78 is currently estimated at 1,426 million tons, down from 1,454 million in 1976/77 (tables 12 and 13). The decline is largely the result of the unexpectedly poor Soviet grain crop. Both wheat and coarse grain are forecast to decline from a year earlier, but rice production is expected to reach a new record high.

The major production development since mid-October is the change in the USSR crop estimate. The latest pronouncements from the USSR indicate that the Soviet grain crop totaled 195 million tons, down from the 215-million-ton estimate of mid-October and last year's record of 224 million. USSR wheat production is expected to total about 90 million tons, compared with 97 million tons a year earlier; coarse grain production is likely to reach 90 million tons, below the 115-million-ton total of a year earlier.

World wheat production is estimated at 380 million tons, down from 413 million tons in 1976/77 (table 14). Area harvested is estimated to have dropped nearly 5 million hectares (2.5 percent) from year-earlier levels. However, most of the change is expected to result from the 6-percent decline in yields due to weather-related problems. Current production estimates for both Australia and Argentina were lowered to reflect the drought conditions in those two countries. The changes from year-earlier levels are 2.6 and 4.0 million tons respectively. Unfavorable conditions have also

caused a 10-million-ton decline in the Brazilian production estimate. Earlier production changes due to weather reflected the harvesting problems faced by both East and West Europe and dry conditions in



many of the Mediterranean Basin countries discussed in the October issue of this report. Canada, Australia, Argentina, and the United States all experienced or are expected to experience a production decline for wheat from year earlier levels.

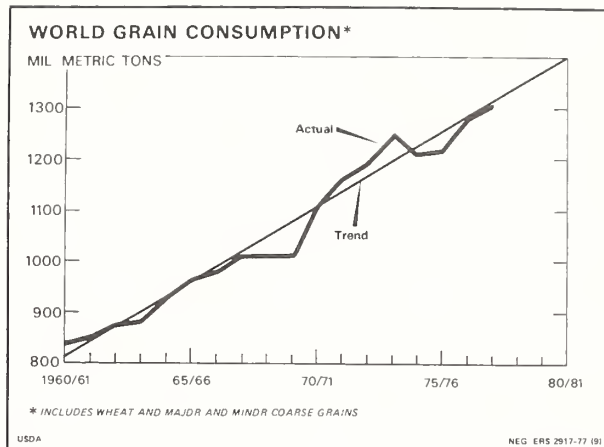
Coarse grain production declines were not as severe. World production declined from 692 million tons in 1976/77 to an estimated 684 million tons for 1977/78 (table 15). The bulk of the decline is concentrated in the Soviet Union, which is now estimated down 25 million tons from 1976/77's 115 million tons. U.S. coarse grain production is estimated at 202 million for 1977/78, the first time U.S. production has surpassed 200 million tons. This represents an almost 8-million ton increase over 1976/77, and more than offsets slight declines in Australia, Argentina, South Africa, Thailand, and Brazil. Western Europe's coarse grain production is estimated at 87 million tons in 1977/78, bouncing back from the drought in 1976/77 to a new record.

World milled rice production is expected to reach 244 million tons in 1977/78, up 9 million tons from last year and over 1 million tons more than the record 1975/76 crop (table 16). Major changes expected in rice production compared with year-earlier levels include an increase in Indian production, estimated to be up 6.0 million tons despite the typhoon that hit a major production area. Weather conditions indicate production in the People's Republic of China (PRC) may be up about 2 million tons. Drought has cut Indonesia's production and created a need for larger imports.

Consumption

Total world grain consumption may reach 1,311 million tons, up from 1,286 million in 1976/77 and a second straight year of record use. This results mainly from the continued strengthening of the feed complex, which now seems likely to take around 495 million tons of grain in 1977/78. U.S. feed use, forecast at 125 million tons, should be up from last year but still far below peaks reached in the early 1970's. Despite forecast record usage levels, world grain consumption is below the trend established during 1960-1976 by about 4 million tons.

On a per capita basis, world wheat usage is expected to be up in 1977/78, while coarse grain usage may be down slightly, netting out to a small gain for the two. For the developing countries, even though total domestic use of grain—including milled rice—is expected to exceed 400 million tons for the first time, per capita consumption may decline slightly because of population growth. The anticipated 37-million-ton gap between developing countries' production and consumption would almost match the record shortfall of 1974/75 and will

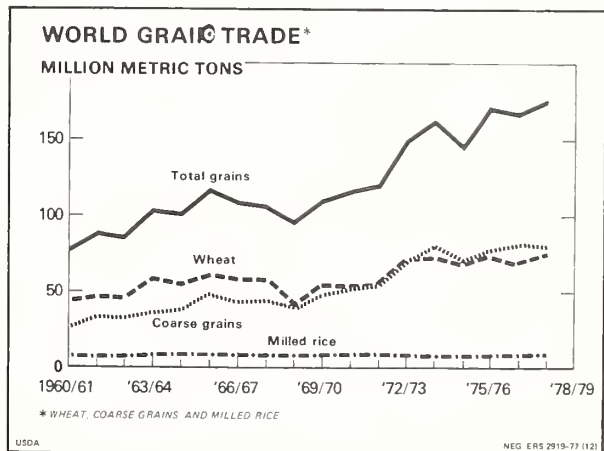


probably result in record import levels for the developing countries as a group.

For 1977/78, per capita total grain consumption for the world is estimated at around 315 kilograms, while the developing countries may average 190 kilograms. Even after subtracting the feed component in total grain usage—a much greater factor in the developed and centrally planned countries—developing countries are forecast to consume a per capita average of 168 kilograms of grain in 1977/78, compared with the world average of 209 kilograms.

Trade

Significant decreases for world grain crop forecasts since October have led to increases in both wheat and coarse grain trade estimates. On the other hand, more favorable conditions indicate a lower level of world rice trade in calendar 1978. World wheat trade is now projected at 70 million tons for 1977/78, a new record. Exports from both the United States and Canada should improve



markedly, with Canada registering its strongest year since 1972/73. Wheat exports from Australia are forecast to rise by about a million tons. Argentina will probably export less than half of last year's record because exportable supplies are limited.

The Soviet production shortfall apparently has greatly increased USSR import needs. Current estimates indicate that the USSR may import about 8.5 million tons of wheat. In 1977/78, Poland, Brazil, and Pakistan are each expected to increase imports to cover production shortfalls indicated since early October.

For coarse grains, total world exports are estimated at 81 million tons, down roughly 1 million tons from 1976/77. The decrease is influenced by several factors: a 7.5-million-ton increase in estimated Soviet needs; a 1-million ton decrease in exports from Australia, and an 8-million-ton decrease in Western European exports largely due to reduced production. The current forecast is for a small increase in U.S. exports to meet the new demand.

Rice trade is estimated to have increased from 8.4 million tons in calendar year 1976 to 9.3 million tons in 1977. This strong showing can be mostly attributed to Thailand's record 2.8 million tons of exports, following record crops in 1976/77. The United States also achieved record export levels in 1977, jumping from 2 million tons in 1976 to 2.2 million tons.

On the import side, growing demand and drought-damaged production created the need for a significant increase in Indonesia's rice imports. Estimates indicate that import needs may be as much as 1 million tons higher than expected earlier. That increase will be felt in late 1977 and early 1978. A second year of below normal production in Italy indicates the potential for an increase in EC imports from nomembers in 1978. However, the excellent crops of some traditional importers such as Korea, Taiwan, and India may limit their imports during 1978.

Stocks

Ending stocks for all grains reached about 185 million tons for 1976/77. World stocks will decline slightly for 1977/78, provided the 1977/78 projections for utilization remain on track as the year progresses.

Despite a projected 2-million-ton increase in U.S. wheat carryover stocks for 1977/78, total world wheat stocks could drop to 83 million tons by the end of 1977/78, down 14 million tons from last year. This decrease is largely the result of an anticipated Soviet drawdown to minimize already large purchase requirements and wheat stock cutbacks in Canada, Australia, and Argentina totaling 4.2 million tons.

Current estimates indicate that at the close of the 1977/78 wheat year, the United States will be holding roughly 60 percent of world wheat stocks. Canada will hold about 14 percent, Australia 1 percent, and the EC 9 percent.

While the USSR is expected to draw down its coarse grain stocks, this will not prevent world coarse grain stocks from building more than 6 million tons. By the close of 1977/78, world stocks for coarse grains could exceed 82 million tons. This is the highest stock level since 1970. The largest increase is expected in the United States where stocks may reach about 42 million tons by the end of 1977/78, compared with about 30 million tons in 1976/77. The largest share (nearly 50-percent) of global coarse grain stocks will be held by the United States.

After declining in 1976/77, ending stocks of rice should pick up in 1977/78 primarily because of an estimated 1.3-million-ton increase in Japan. Following 2 years of buildups, U.S. rice stocks should drop substantially, reflecting record U.S. sales and a sharp decline in harvested area and production. Following record export levels, rice stocks held by Thailand at the start of their 1977/78 season are expected to be 0.3 million tons, down about 50 percent from year-earlier levels. (*Arthur L. Coffing and John P. Sullivan: 202-447-9160*)

WORLD 1978 SUPPLIES OF MEALS AND OILS ABUNDANT

Review of 1977

Calendar year 1977 (roughly equal to the U.S. 1976/77 oilseed crop year) was characterized by tight supplies of oils and meals. Production of oil-meals in 1977 declined about 9 percent to 66.3 million tons (44 percent soybean meal equivalent). Consumption remained stable at 69.5 million tons.

Thus, 1977 saw a reduction of stock levels in the United States and the EC.

Production of edible vegetable oils declined 6 percent, to 31.3 million tons (oil equivalent). Oil consumption increased about 3 percent despite the tight supplies, causing a drawdown of vegetable oil stocks in calendar 1977. Although high prices did

ration supplies in the developed countries, especially in the United States, the decline was more than offset by increases in the developing countries.

1978 Oilseeds Prospects

World production of oil meal and fish meals in calendar 1978 is currently forecast to expand by 12.6 million tons to 78.9 million tons (44-percent soybean meal basis) (table 18). This sharp recovery from the low production of 1977 results from improvements in several regions. U.S. production of soybeans in 1977/78 is expected to expand by 33 percent, to 45.8 million tons. Meanwhile, both Brazil and Argentina are forecast to increase soybean production in the spring of 1978 to around 12.8 and 1.7 million tons, respectively. Canadian rapeseed production, forecast at 1.8 million tons for 1977/78, has experienced a strong recovery from the disastrous 1976/77 crop. Flaxseed production in Argentina is expected to increase 133,000 tons over 1977. Oilseed production in the EC in 1978 should return to historical levels following the severe summer of 1976. Soviet sunflowerseed production is currently forecast to recover from the 1976/77 low and reach 6 to 6.5 million tons. Preliminary estimates also indicate a rise in the Indian peanut crop.

The Nigerian and Sengalese peanut crops do not appear to be in good shape. Nigerian commercial peanut production, at 350,000 tons, is forecast to be considerably above the calendar 1977 level but is still substantially below production of the late 1960's and early 1970's. Peanut production in Senegal in calendar 1978 is expected to be 455,000 tons below 1977. Peruvian fishmeal output is expected to remain at about 440,000 metric tons in calendar 1978. Fishing for anchovies by Peru is not expected to resume until late 1978.

Meals in 1978

The increased production forecast for calendar 1978 has resulted downward pressure on prices in the world oil meal market (table 19). Although prices have recovered from the lows of October, current European prices for soybeans and meal are lower than last year's prices. The lower prices, especially when compared with feed grains, should encourage increased usage of oilmeals in feed rations. Thus, world consumption of high-protein meals is forecast to rise by 4.3 million tons to 73.8 million tons (44-percent soybean meal basis).

The bulk of this expansion will occur in the United States, the EC, and Japan. Livestock numbers and feed compounding appear to be expanding in Japan. Poultry and swine numbers in the

EC are forecast to remain large. Some increase in consumption of meals is expected in the centrally planned countries. No change in consumption by the developing countries is expected. These forecasts assume no change in governmental policies.

Several potential developments bear watching. Expanding crushing capacity in Argentina could lead the government to favor exports of meal and oil over soybeans. Brazil has increased the export tax on soybean meal after EC crushers complained of pressure from cheap Brazilian soybean meal imports. In addition, the French have complained to the EC commission that feed grain substitutes, such as cassava and corn gluten feed, conflict with the spirit of the Common Agricultural Policy. Thus, they have proposed some form of import restrictions against feed grain substitutes. Such restrictions, if implemented, could reduce oilmeal usage slightly in compound feed rations in the EC.

Edible Vegetable Oils in 1978

World production of edible vegetable oils in calendar 1978 is forecast to rise 4.7 million tons to 35.2 million tons of edible vegetable oil (oil equivalent) (table 20). In addition to the gains in oilseed output, palm oil production in Malaysia is forecast to expand to 1.9 million tons. Philippine coconut oil production is expected to be 1.5 million tons, the same as calendar 1977 production and below the record 1976 output of 1.7 million tons.

World oil consumption is forecast to increase in calendar 1978 as oil prices retreat from the high levels of last year. The developing and centrally planned regions are expected to increase their consumption about 8 percent, and the developed countries should expand use about 9.5 percent. Growth in per capita disposable income in the developed countries is crucial to the projected increases in consumption.

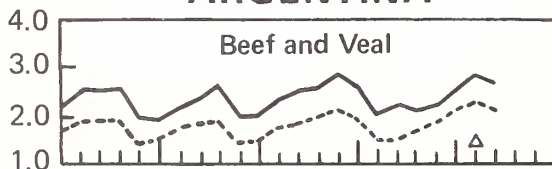
Stocks

In both the meals and oils market in 1977/78, carryout stocks are forecast to rise since the increase in production is expected to exceed the growth in consumption. A U.S. carryout stock level for oilseeds and meals of about 6 million tons (44 percent soybean meal equivalent) is indicated for 1977/78, up from about 2.5 million tons in 1976/77. Meal stocks should be rebuilt after having been drawn down to very low levels during 1976/77. However, since meal is not easily stored, most of the increase in stocks will be held in the form of beans or seeds. (*Philip Paarlberg*: 202-447-9160)

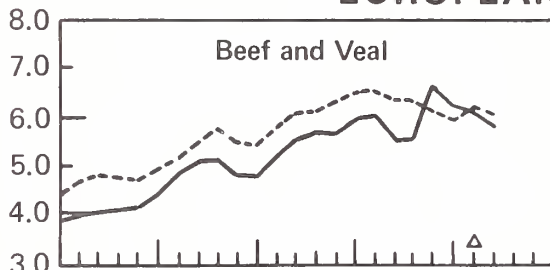
PRODUCTION AND CONSUMPTION OF BEEF AND PORK

(Million Metric Tons)

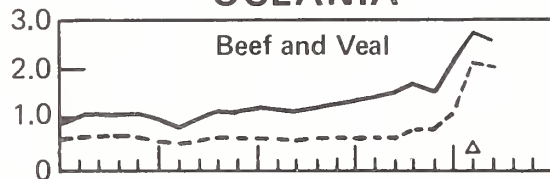
ARGENTINA



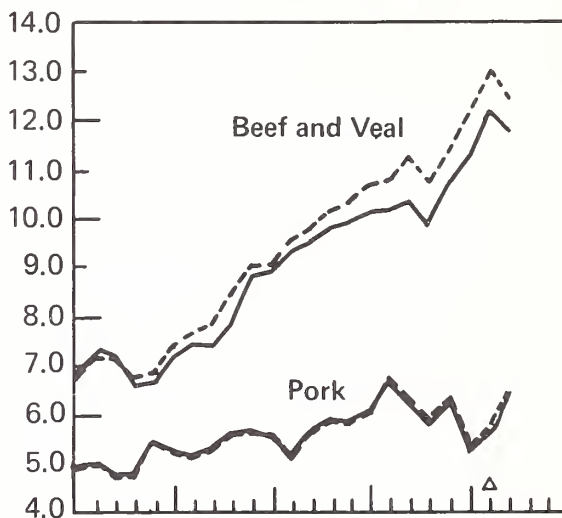
EUROPEAN COMMUNITY



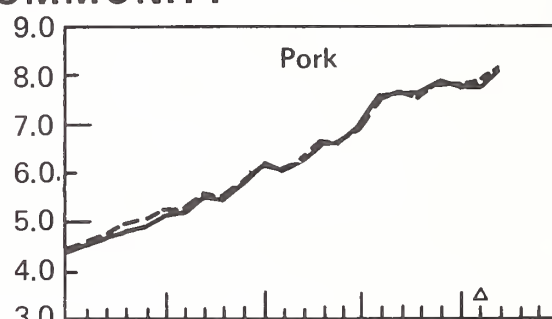
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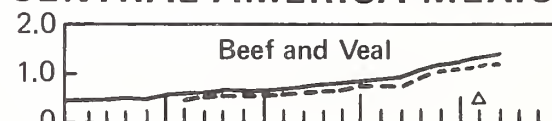
UNITED STATES



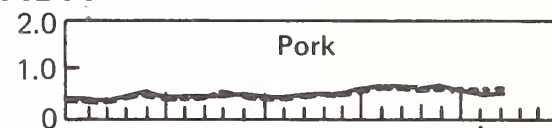
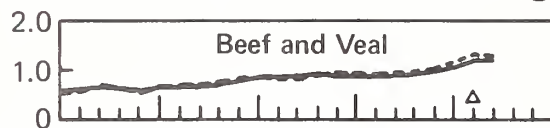
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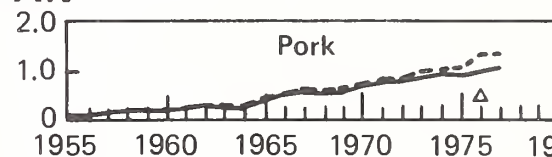
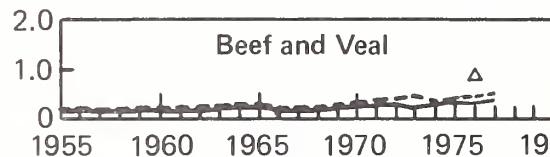
CENTRAL AMERICA-MEXICO



CANADA



JAPAN



— Production - - - - Consumption

△ PRELIMINARY.

WORLD MEAT PRODUCTION STEADY

In the world's two largest meat consuming regions—the United States and the EC—1977 meat production, consumption, and trade likely remained at 1976 levels and will probably continue steady into 1978. But the product mix will change with combined U.S. and EC 1977 beef output off by 3 to 5 percent and a further decline indicated in 1978. Rising pork and poultry production are likely to offset declining beef output in 1977 and this is also likely to be the case in 1978. Although U.S. and EC imports are expected to continue at about the same levels into 1978, rising income could lead to demand pressures for additional meat imports of lower quality.

In the *United States*, total red meat and poultry production in 1978 may equal the 1977 record, as increases in pork and broilers offset less beef. Beef production in 1977 was likely down 2 to 3 percent from 1976 because of a drop in nonfed beef output, and is expected to decline another 3 to 5 percent in 1978. If the slaughter mix develops as now anticipated, fed beef output should rise 4 to 5 percent above the 1977 level, while nonfed beef production might be down 20 percent. Thus, 70 to 75 percent of 1978 U.S. beef production could be from fed beef, reflecting a winding down of the liquidation phase of the cattle cycle.

Rising pork and poultry production fully offset the 1977 drop in U.S. beef output. Pork output during 1978 is expected to increase by as much as 10 to 12 percent, while 1978 poultry production could rise by 4 to 6 percent over 1977 levels. Prices of feeder cattle and calves are expected to rise relative to fed cattle into 1978, while declining pork and poultry prices are expected.

Earlier expectations that the *European Community* would continue importing beef into 1978 at the annual rate of 450,000 tons or less still appear valid, with offsetting exports running about 150,000 tons. After steadily making annual net imports of about 500,000 tons of beef (carcass weight equivalent) during the last two decades and over 900,000 tons during 1972 and 1973, the EC abruptly imposed tight restrictions on beef imports in 1974. Beef trade has been narrowly balanced on a net basis ever since at around 300,000 tons with production at the 6-million-ton level. Beef production is expected to be down about 5 percent in 1977, offset by a rise in pork output to about 8 million tons. In 1978, beef production appears likely to continue

declining, with pork also dropping as the year progresses.

Japan continues operating its tight system of quantitative restrictions on meat imports. Beef imports for 1977 may only be 140,000 tons on a carcass weight basis. If current allocations remain in force, imports are likely to reach 150,000 tons of beef in 1978. Other meat imports in 1977 are placed at 290,000 tons of lamb and mutton, 145,000 tons of pork, and 77,000 tons of horsemeat.

Australia has been faced with severe pressures to find outlets for its available beef. Cattle herds—over 33 million head at the beginning of 1976—are expected to be down to 30 million by the end of 1977. Beef production likely reached 2 million tons carcass weight in 1977, the same level as expected in 1978, and just over the 1976's level of 1.9 million tons. Exports may be 1 million tons carcass weight in both 1977 and 1978. The herd is very large and sensitive to drought; prices are low and herd liquidation is into its second year. The voluntary restraint allotment of 296,000 tons for exportation to the United States is reported to have been shipped.

In Argentina beef consumption per capita has been over 85 kilograms each year since 1975. It is expected to reach 89 kilograms in 1977 and may be about 85 again in 1978. Production is high under pressure of large herds and is sensitive to local drought situations. Diversification of export markets to include other South American, Middle Eastern, and African countries is expected to keep 1978 beef exports at this year's 530-thousand-ton level. The cattle herd has been essentially unchanged at a record 58 million head since the beginning of 1976, the figure presently expected to hold through the end of 1978.

Meat imports by the *USSR* for 1977 are expected to fall into the 350,000-400,000 ton range. This figure may be compared with 362,000 tons in 1976 and 515,000 tons in each of the 2 previous years. Soviet cattle herds were brought through the poor weather of recent years in reasonably good condition and with a balanced age distribution.

Meat production in *Eastern Europe* is normal and supplies are available for export. Since imports to Western Europe are still tight, markets are being supplied in the Soviet Union. (Donald W. Regier: 202-447-9160)

MILK SURPLUSES CONTINUE

World milk production in 1977, up 2 percent from 1976, had its biggest gains in *USSR*, the *EC*, and the *United States*. Increases were also

observed in *Mexico*, *Brazil*, *Chile*, *Spain*, *Poland*, *Yugoslavia*, *Japan*, and *New Zealand*. Cow numbers are being increased in the *United Kingdom*

and Italy in a effort to reduce imports, and in Ireland, to take advantage of the protected EC market. Marketing penalties and conversion programs are expected to hold total EC cow numbers steady in 1977 and to permit only a 1-percent gain in 1978. However, the cows being culled are mostly inefficient producers whose removal should not affect increased EC milk production resulting from higher yields.

World butter and nonfat dry milk (NFDM) markets are still in surplus and more growth in stocks is expected. New Zealand, exporting butter at 57 U.S. cents per pound, has developed new techniques for shipping and storing frozen cream to be processed into any variety of fresh butter on location in the foreign market and sold during seasonal shortfalls in the milk flow.

NFDM stocks are still a market glut. The EC, which had disposed of 20 percent of year earlier stock levels as of November 1977, is offering fresh NFDM at a subsidized price, 11 US cents per pound, close to that of the aged stocks.

International price differentials favor milk-fat products over those of nonfat solids and have led Canada to import 4 million pounds of low-priced butter to maintain balance in their milk-fat mar-

ket. The milk surplus then may be diverted to produce evaporated milk and whole milk powder which have favorable export markets.

The world cheese market is in relative balance. During the summer and fall, the United States imported less nonquota cheese than a year ago, although total cheese imports were somewhat greater. EC countries expect an average 3-percent increase in production with domestic consumption up 1 percent and exports, often subsidized, up 5 percent. Australia is directing its dairy trade toward cheeses, with exports for 1976/77 50 percent greater than the previous year.

Casein production as of July 1977 had grown 17 percent over the previous year in New Zealand as liquid skim milk was diverted from NFDM production. A tighter market, influenced by Australia's lower output, is recently indicated by a price movement from 55 cents U.S. per pound to 67 cents. Continued expansion in the U.S. market, where \$28 million of caseins accounted for 61 percent of New Zealand's dairy sales to this country, may be illusory. The 41-percent increase in U.S. imports through October 1977 from the same period in 1976 appears to have entered stocks rather than manufacturing. (Howard H. Conley: 202-447-8646).

MOUNTING SUGAR STOCKS

World sugar production in 1977/78 is now expected to rise nearly 4 percent above last season's record (table 21). Consumption is forecast to rise 3.5 percent, and stocks may increase about 5 million tons. From a low 18.4 percent of estimated consumption in 1973/74, stocks are approaching 30 percent by season's end, in August 1978. The world price of sugar (stowed at greater Caribbean ports and Brazil) plunged to about 7 cts a pound in October 1977.² With the International Sugar Agreement (ISA) becoming effective in January 1978, prices might rise somewhat during 1978.

About two-thirds of the anticipated world output increase in 1977/78 will come from a 6.5-percent gain in beet sugar production. Cane sugar output is not expected to rise much more than 2 percent. U.S. sugar output is down partly because of low returns to growers. After three seasons of weather difficulties, the USSR appears likely to again rank as the world's top producer in 1977/78, with perhaps 9.3 million tons. This estimate is about 25 percent above last season but still short of the record of over 10 million tons in 1967/68.

World cane sugar production is estimated at almost 55 million tons. Brazil's expected record output of 8.6 million tons indicates that the national goal of 10 million tons by 1980 could be realized a year early. Asia's sugar production will be less, mainly because of a 25-percent cutback in Thailand's drought-hit crop, and a 15-percent lower crop in the Philippines where low grower returns and tight credit have reduced harvested area, farm inputs, and yields.

World sugar consumption in 1977/78 may be almost 3 million tons higher than the prior season.

World centrifugal sugar production and consumption
and 1965/66-1976/77 linear trend

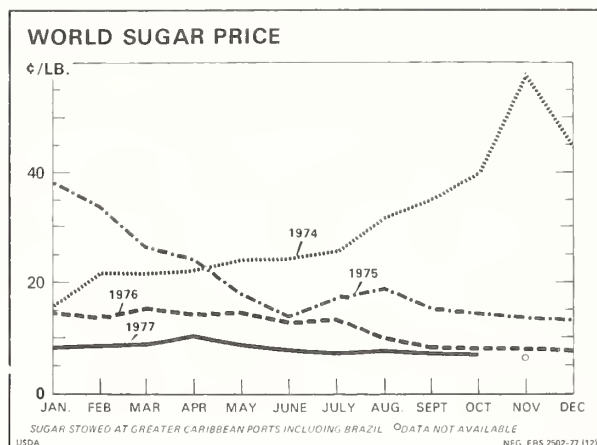
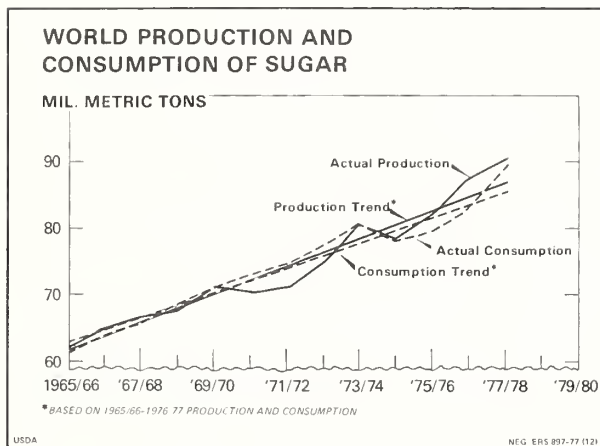
| | Production | | Consumption | |
|---------------------|-------------------|-------|-------------------|-------|
| | Actual | Trend | Actual | Trend |
| Million metric tons | | | | |
| 1969/70-71/72 | 70.9 | 72.1 | 73.0 | 72.1 |
| 1974/75 | 78.7 | 80.4 | 78.1 | 79.7 |
| 1975/76 | 82.1 | 82.4 | 79.5 | 81.6 |
| 1976/77 | 87.3 | 84.5 | 82.8 | 83.5 |
| 1977/78 | ¹ 90.7 | 86.6 | ¹ 89.8 | 85.4 |

¹ Forecast.

²Reporting of this price by the New York Coffee and Sugar Exchange was suspended in November 1977.

Production of high fructose sirups (HFS), which is competitive with sugar in industrial uses, has been rising. U.S. output of HFS became significant after 1973 and approximated a million tons (dry basis) in 1977, some 9 pounds per capita. Production outside of the United States may reach about 700,000 tons of HFS (based on corn and other starches) in 1978.

World sugar imports expanded 7 percent to 22.1 million tons in 1976. Imports in 1977 will be even higher with USSR volume reaching 4 million tons, with exporters unloading stocks before the ISA becomes operational in January 1978 and as



importers are attracted by low prices. (See section, "World Food and Trade Policy Developments," for more on the ISA.) U.S. imports will likely exceed 4.5 million tons in 1977, or 300,000 tons more than last year. In November, to protect the new U.S. sugar support program, the tariff on imported sugar was raised to 2.81 cents a pound; also a variable fee was imposed, at a maximum 3.3 cents a pound, but which is slated to decline to zero as the world price (Caribbean) reaches 10 cents a pound. Revisions required to deal with the duty problem relating to refined sugar are forthcoming. (Robert D. Barry: 202-447-9160)

COFFEE OUTPUT RECOVERING

World coffee production in 1977/78 is bouncing back from last season's poor crop to an estimated 69.6 million (60-kilogram) bags (table 22). The output pickup of over 13 percent permits an exportable production of about 52 million bags, almost a fifth above 1976/77. Brazil's outturn of about 17 million bags, nearly 80 percent above last year, signals the result of plantings in the early 1970's and a continued rapid recovery from the 1975 frost. However,

Brazil's more normal 25-million-bag production will not be reached until at least 1979. Production in the Ivory Coast, usually the world's second largest, is down about 25 percent because of dry weather.

The International Coffee Organization composite price for green coffee peaked at \$3.34 a pound in April 1977, slid to \$2.22 in October, rose to \$2.29 in November as producers of "Other Milds" held off exports. Prices then eased to about \$2.00 in early December as Brazil lowered its export price.

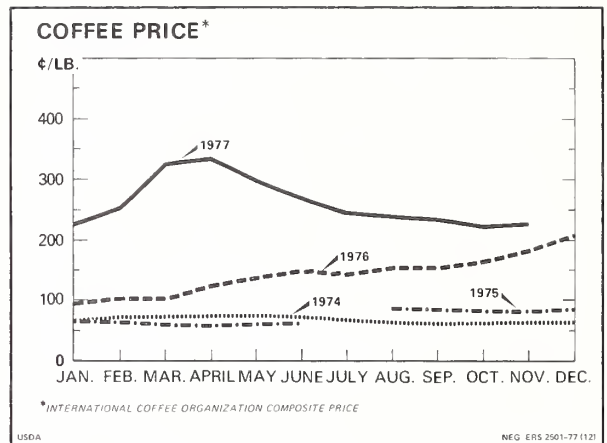
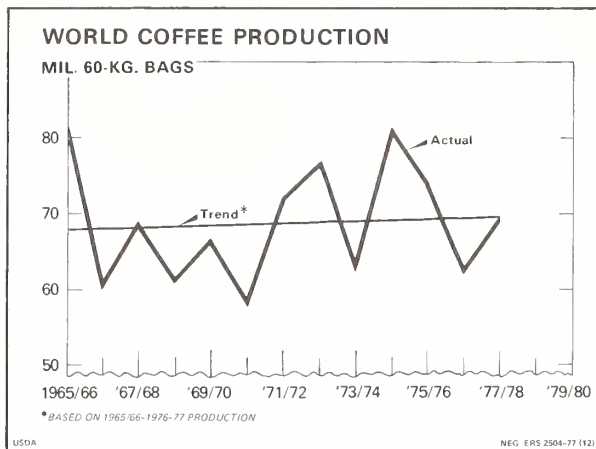
U.S. per capita disappearance of green coffee in 1977 could be 2 to 3 pounds below last year's 12.8 pounds. U.S. green coffee imports in fiscal 1977 dropped almost 20 percent in fiscal 1976/77, but value rose nearly 80 percent (table 23).

A working group to study the feasibility of an international stock arrangement for coffee, established by the International Coffee Council in September 1977, will meet in London in January. (Robert D. Barry: 202-447-9160)

World green coffee production and 1965-76 linear trend

| Year | Actual | Trend | Deviation |
|--------------------------|-------------------|-------|-----------|
| Million 60-kilogram bags | | | |
| 1969/70-71/72 | 66.4 | 68.6 | -2.2 |
| 1974/75 | 81.1 | 69.2 | 11.9 |
| 1975/76 | 73.7 | 69.4 | 4.3 |
| 1976/77 | 61.2 | 69.5 | -8.3 |
| 1977/78 | ¹ 69.6 | 69.7 | -0.1 |

¹ Forecast.

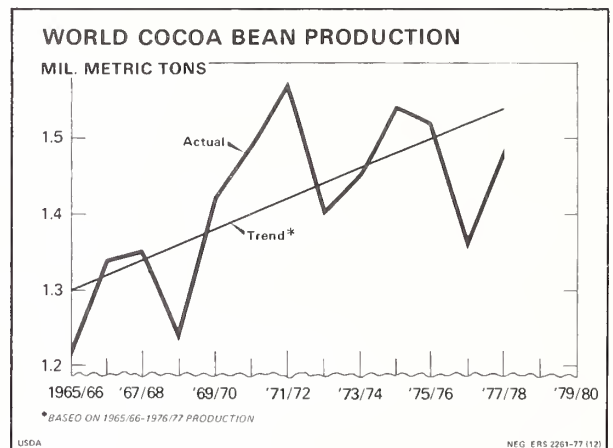


COCOA SUPPLIES EASE

The 1977/78 world cocoa crop is forecast at about 9 percent above last season's short crop (table 24). With better weather in West Africa and the new plantings in the Ivory Coast, Brazil, and Malaysia, world output in 1978/79 could exceed the 1971/72 record harvest of 1.57 million tons.

The record-high prices of the past season, cresting at \$2.50 a pound (New York spot for Accra beans), have begun to recede since larger supplies are anticipated. Demand too has been easing off, with 1977 grindings down from 1.52 million tons in 1976 to an estimated 1.37 million, and a further decline expected in 1978. Tight supplies and high prices for cocoa beans have led to increased use of substitutes and extenders. The volume of U.S. imports of cocoa beans and related cocoa products fell, but value totaled \$878 million in fiscal 1977, 47 percent above fiscal 1976 (table 25).

because prices continue at much higher levels.
(Robert D. Barry: 202-447-9160)

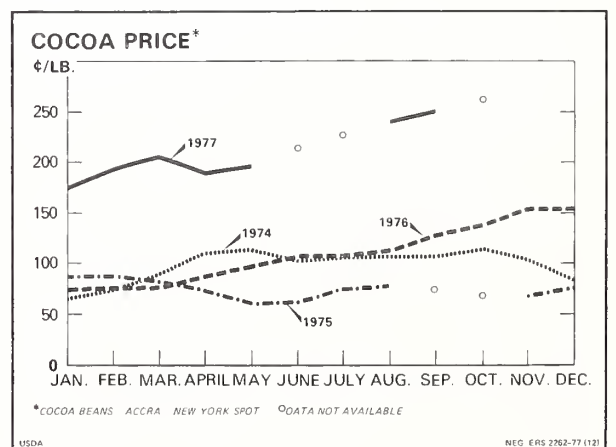


World cocoa bean production and 1965-76
linear trend

| Year | Actual | Trend | Deviation |
|---------------------|-------------------|-------|-----------|
| Million metric tons | | | |
| 1969/70-71/72 | 1.50 | 1.40 | .10 |
| 1974/75 | 1.54 | 1.48 | .06 |
| 1975/76 | 1.52 | 1.50 | .02 |
| 1976/77 | 1.36 | 1.52 | -.16 |
| 1977/78 | ¹ 1.48 | 1.53 | -.05 |

¹ Forecast.

The price range stipulated in the International Cocoa Agreement was raised from the 39-to-55-cent range to 65 to 81 cents beginning October 1, 1977; however, the range remains a mere formality



COTTON DEMAND STAGNANT

Good growing conditions now point to a 1977/78 world cotton output of over 65 million 480-pound bales, about 12 percent above last season and slightly above the 1974/75 record (table 26). However, demand for cotton is expected to be relatively sluggish, so stocks could rise some 3.5 to 4 million bales this season. The price of U.S. SM 1-1/16 inch cotton (c.i.f. Northern Europe) averaged 59.6 cents in November, a third below last year.

Excellent weather in most major producing countries has raised this season's cotton yield estimates to a record world average of over 430 kilograms a hectare. Area is 6 percent larger than in 1976/77, stimulated by high prices at planting time in the Northern Hemisphere. The United States accounts for about half of the estimated world output rise, with Mexico, India, Pakistan, Turkey, and the USSR up 7 to 9 percent each.

World cotton consumption in 1977/78 is forecast to remain near 1976/77's 61.3 million bales as a result of slower economic growth prospects in major consuming 1977/78, as a result of slower economic growth prospects in major consuming countries and because of abundant supplies of competitive manmade fibers.

World cotton production and consumption and 1965/66-1976/77 linear trend

| | Production | | Consumption | |
|---------------------|-----------------------|-------|-------------------|-------|
| | Actual | Trend | Actual | Trend |
| | Million 480-lb. bales | | | |
| 1969/70-71/72 | 55.5 | 56.2 | 56.4 | 57.1 |
| 1974/75 | 64.9 | 59.8 | 59.0 | 60.6 |
| 1975/76 | 54.2 | 60.7 | 62.1 | 61.5 |
| 1976/77 | 58.2 | 61.6 | 61.3 | 62.4 |
| 1977/78 | ¹ 65.3 | 62.4 | ¹ 61.6 | 63.3 |

¹ Forecast.

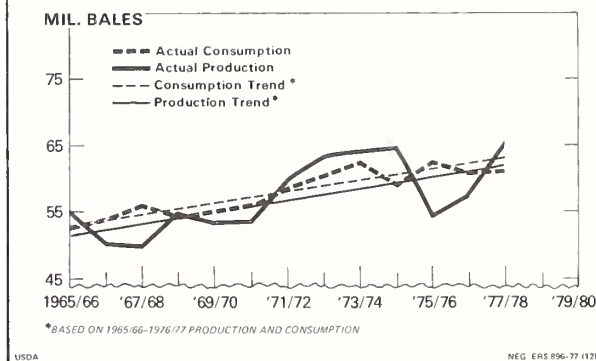
While U.S. cotton use may rise slightly, some decline is likely in the foreign noncommunist importing countries. The European and Japanese textile industries have been hit hard by textile imports in their domestic markets and face tighter competition for their textile exports. Cotton use in the People's Republic of China (PRC) may be down, partly from a slightly smaller cotton supply, and partly from greater use of manmade fibers imported from the United States and Japan at low prices. The best cotton consumption prospects appear to be among foreign noncommunist exporters such as Turkey, India, and Brazil, which

are spinning more cotton domestically and exporting more yarn and cloth.

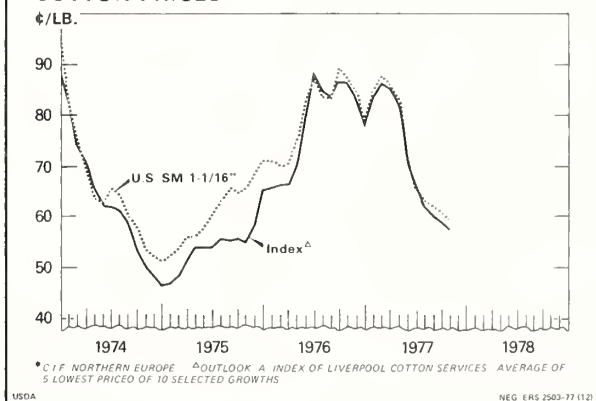
Over half of the 1977/78 world cotton production increase is expected to be added to stocks which, at season's start, were at the lowest level since 1962 (table 27). By August 1978, stocks could be about 23 million bales, equal to about 4.5-months' consumption. Most of the increase will be in the United States following a large crop and some export cutback.

World cotton exports are forecast to expand nearly 1 million bales in 1977/78. Exports last season were curtailed by high prices and low availabilities, as well as by postponement of purchases in anticipation of a large 1977/78 crop and lower prices. Cotton exports this season are expected to rise sharply in Turkey, Mexico, and Central America. (Robert D. Barry: 202-447-9160)

WORLD PRODUCTION AND CONSUMPTION OF COTTON



COTTON PRICES*



LOWER TOBACCO OUTPUT

World tobacco output in 1977 is estimated to have declined by about 2 percent to 5.4 million tons (farm-sales weight) after a 1976 record output (table 28). Consumption is expected to rise slightly and stocks will likely be drawn down in 1978 for the third consecutive year. Higher prices, taxes, and intensified antismoking campaigns may again limit the growth of cigarette output to about 2 percent. U.S. 1977 flue-cured auction prices averaged \$1.18 a pound, 7 percent above the previous year. The U.S. support price will likely be raised again in 1978.

World tobacco production and 1965-76 linear trend

| | Actual | Trend | Deviation |
|----------------------------------|-------------------|-------|-----------|
| Million metric tons ¹ | | | |
| 1969-71 average | 4.49 | 4.69 | -0.02 |
| 1974 | 5.17 | 5.07 | 0.10 |
| 1975 | 5.34 | 5.16 | 0.18 |
| 1976 | 5.55 | 5.26 | 0.29 |
| 1977 | ² 5.43 | 5.35 | 0.08 |

¹ Farm-sales weight. ² Forecast.

Cigarette output in 1977 may have reached about 4.1 trillion pieces. Output in the United States is estimated down 3 percent to 670 billion pieces, after a 6.5-percent increase in 1976. Japan's manufacture of cigarettes was up in 1977 after a 6.5-percent output drop in 1976. Brazil's nearly 30-percent higher prices for cigarettes (as of November 1977) will likely tone down consumer demand and output in 1978.

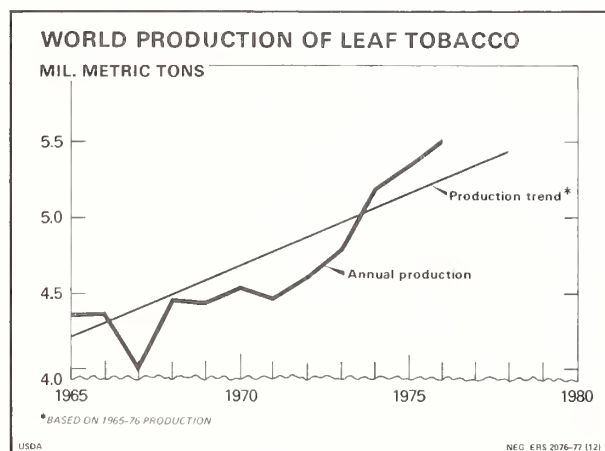
World tobacco exports (declared weight) in 1977 look to be less than 1976's 1.3 million tons (table 29). U.S. leaf exports in 1977 may not have

World cigarette production and 1965-76 linear trend

| Calendar year | Actual | Trend | Deviation |
|-----------------------|-------------------|-------|-----------|
| Trillion pieces | | | |
| 1969-71 average | 3.35 | 3.39 | -0.04 |
| 1974 | 3.87 | 3.84 | 0.03 |
| 1975 | 3.96 | 3.95 | 0.01 |
| 1976 | 4.07 | 4.06 | 0.01 |
| 1977 | ¹ 4.14 | 4.17 | -0.03 |

¹ Forecast.

Drought and reduced production quotas lowered 1977 U.S. output by 10 percent. Good growing conditions in the PRC probably produced a better crop. The 1977 world flue-cured crop is estimated to have dropped by 2 percent to 2,218,000 tons, while burley likely rose marginally to 592,000 tons. Oriental tobacco likely approximated 891,000 tons, a fall of about 18 percent.



reached the 262,000 tons exported in 1976 year because of higher prices and the dock strike (table 30). In 1978, higher flue-cured prices, rising foreign production, and increased preferential import quotas (especially in the EC) may hold down U.S. exports. The EC flue-cured preferential import quotas were increased by 58 percent to 60,000 tons in 1977. These quotas will benefit the developing countries, particularly India, Brazil, and some African countries. EC tobacco imports in 1977 were down an estimated 26,000 tons mainly because of lower tobacco use in cigarettes. Japanese imports in the fiscal year ending October 1977 were reduced because of larger initial supplies of oriental tobacco and higher prices for flue-cured imports. Japan's imports from the United States, its major tobacco supplier, fell almost 6 percent in fiscal 1977.

U.S. exports of tobacco and tobacco products in fiscal 1977, estimated at over \$1.7 billion, were 21 percent above fiscal 1976. With large tobacco stocks, U.S. imports were reduced about 11 percent to an estimated \$372 million, and tobacco's net contribution to the U.S. balance of trade in fiscal 1977 was in excess of \$1.3 billion. (Charles E. Goode and Robert D. Barry: 202-447-9160)

REGIONAL AGRICULTURAL DEVELOPMENTS

United States³

U.S. farmers appear to be facing another year of relatively low prices and incomes. While grain prices have strengthened in recent weeks because of strong export markets and increased movement of grain under loan, grain prices for the 1977/78 season may average around support levels. For some livestock producers, net incomes should improve in the coming year if favorable feeding margins are realized.

Crop output, up nearly 5 percent in 1977, should be large again in 1978 barring major bad weather. Ample supplies of production inputs, such as pesticides and fertilizer, will again facilitate large crop output. Fertilizer application rates are expected to increase, and fuel supplies appear ample. The 1977/78 feed grain supply may be 10 percent more than in 1976/77, with livestock feeding up more than 5 percent. The October soybean production estimate rose to 1.7 billion bushels (45.8 million tons). Supplies are at record levels and both exports and crush in 1977/78 will likely rise. For wheat, continued expansion of export prospects has bolstered prices. Wheat exports are projected to reach 1.1 billion bushels in 1977/78.

Production of livestock products will likely increase further in 1978 as relatively low feed costs help encourage expanded production of fed beef, pork, poultry, and milk. The supply-demand situation in 1978 is expected to result in somewhat lower hog and poultry prices this year, while cattle prices may strengthen, with reduced supplies of grass-fed beef more than offsetting the increase in fed beef production. Despite further output gains and burdensome government stocks, farm milk prices are expected to average higher in 1978 due to higher supports.

U.S. economic activity in the third quarter exhibited stronger growth than first estimated, as real GNP increased at an annual rate of 5.1 percent. This compares with growth rates of 6.2 percent in the second quarter and 7.5 percent in the first. The outlook for 1978 is for continued growth in output (4.5 to 5 percent) and moderately rising prices.

Food prices will continue the relatively stable pattern exhibited in the second half of 1977, with only small increases well into 1978. However, marketing and distribution costs will continue to increase, and this—barring unusual weather developments—suggests that grocery store prices may

average 4 to 6 percent above the average for 1977. Prices of imported foods, which accounted for most of the food price increase in 1977, are expected to make little contribution to the rise in 1978. (*David Dyer*, National Economic Analysis Division: 202-447-7330)

Other Developed Countries

Crop Production

Western Europe's 1977 grain harvest is estimated at just over 137 million tons (excluding rice), 14 million tons or 11 percent above the drought-reduced 1976 harvest. Increases in barley and, to a lesser extent, corn accounted for most of the rise in production. Untimely rains in many sections of Western Europe apparently did not affect the size of the harvest, but the quality of the cereals, particularly wheat, suffered considerably.

A return to a normal harvest for potatoes is expected in the EC for 1977/78 following two seasons of shortages. Production is expected to reach 38 million metric tons, 31 percent above last year. Prices will be relatively low through 1977/78 leading to some increases in the use of potatoes as feed.

Because of a relatively high level of production, prices of almost all vegetables in Western Europe are currently lower than they were a year ago. Producers expanded their vegetable cultivation in 1977 in response to the relatively higher prices in 1975 and 1976, and higher yields were also obtained.

Canadian wheat production, according to the November crop report, is estimated at 19.7 million tons, down 17 percent from the 1976 record crop of 23.6 million tons. Cool, wet weather significantly delayed the harvest and resulted in a deterioration in the quality of the crop. Total coarse grain production was slightly below last year's level due to declines in rye and oats. However, barley and corn production were up 10 percent and 14 percent, respectively.

Oilseed production in Canada expanded considerably above the previous year's low levels due to increased planted acreage. Rapeseed production was up 112 percent to 1.8 million metric tons, flaxseed up 120 percent to 610,000 tons, and soybeans up 107 percent to 517,000 tons.

Drought is now affecting virtually the entire Australian agricultural sector. The Australian wheat outlook has deteriorated rapidly in the past 2 months and a 1977 crop of about 9 million tons is currently estimated. Expectations for the barley crop have also fallen, and a 2.3-million-ton crop is in prospect. However, taking wheat stocks into

³This section is based on a more detailed discussion of the U.S. agricultural situation published in *Agricultural Outlook*, USDA, December 1977.

account, there should be no difficulty in meeting current export obligations of nearly 7 million tons of wheat. A record sugar crop of approximately 3.4 million metric tons is one of the few bright spots in Australian agriculture this season, but the dry weather is causing concern for next year's crop.

A bumper Japanese rice crop of nearly 13 million metric tons (brown) is expected for the current harvest period which should increase carryover stocks to 3.3 million tons, well above desired levels.

Livestock Outlook

The downward phase of the beef and veal production cycle in the EC may turn around, with production expected to increase slightly in 1978. The hog breeding herd reached a new record in August, but the rate of expansion has slowed. Heavy reduction in the United Kingdom breeding herd because of low profits are the main reason for the slowdown.

According to the July 1, 1977, Canadian cattle inventory, cattle numbers fell 3 percent from a year earlier to 14.6 million head, but cow numbers leveled off, indicating some relief in the unusually high cow slaughter rates characteristic of the previous year. Beef output increased moderately for the calendar year although the smaller breeding herd should lead to declines in domestic beef supplies in 1978.

The October 1, 1977, hog inventory indicated an 8-percent increase in Canadian hog numbers. Slaughter rates are also expected to be up for calendar 1977.

Discouraged by predictions of continued drought in Australia, cattle slaughter rates are increasing and the prices of both finished and feeder cattle are slipping. Beef and veal production in 1977 probably totaled over 2 million tons, or more than 12 percent above the previous year.

Japan's beef cattle inventory in August 1977 was down slightly, and pork and poultry production were up 8.0 and 5.6 percent, respectively, compared with August 1976. With fish prices rising at a more rapid rate than red meats, consumers may shift to poultry and pork which would further bolster expansion of these domestic livestock industries.

Recent Policy Actions

EC feed compounders can now buy "fresh" non-fat dry milk from commercial sources at a subsidized price close to that of aged intervention stocks. The high level of this subsidy (effective price is about 11 cents per pound, compared to the intervention price of 59 cents per pound), is evidence that past incentives to increase feeding of liquid skim milk on the farm and incorporation of

dry skim milk in formula feed have been less than successful.

EC manufacturers of high-fructose corn syrup (isoglucose) have appealed to the European Court of Justice against the production tax of 50 U.A. (Units of Account—about \$67.50) per ton of dry matter imposed by the Community. The tax, meant to curb the isoglucose industry, also tends to impede imports of corn.

Japan has included agricultural products among items to be imported under its emergency import promotion program to reduce the country's burgeoning trade surplus. The beef import quota for the October 1977-March 1978 period has been increased from 40,000 to 50,000 metric tons, but for the April 1977-March 1978 year is down slightly from the previous year. The Government has also called for a small increase in imports of corn, wheat, and barley.

U.S. Agricultural Exports

The value of U.S. agricultural exports to Western Europe totaled \$8.6 billion in fiscal 1977, up 20 percent from the 1976 level. Strong gains in the volume of feed grain exports and stronger soybean and meal prices accounted for much of the rise. Other exports, such as cotton, fruits, and animal products, shared to a lesser extent in the increase. The volume of U.S. grain exports to Western Europe will be down in fiscal 1978, as will the level of soybean and meal prices, resulting in a drop of 15 to 20 percent in the value of U.S. agricultural exports.

U.S. agricultural exports to Japan in fiscal 1977 reached \$3.86 billion, a 13-percent increase in value over the previous year. Big gainers for the United States were cotton, soybeans, and soybean meal which were shipped not only in larger volumes, but at substantially higher prices. U.S. feed grain and soybean exports are expected to increase in the next fiscal year along with expansion in Japan's domestic livestock production. The total value of U.S. agricultural exports to Japan, however, is expected to fall off 5 to 10 percent in fiscal 1978 because of declining unit values of principal bulk commodities. (*John C. Dunmore and William T. Coyle: 202-447-6809*)

USSR

Agricultural results in the Soviet Union were mixed in 1977, with record cotton production and greatly improved meat and sunflowerseed output offset by reduced grain and sugarbeet production. As a result of the somewhat disappointing grain harvest, the Soviets are now expected to purchase roughly 20 to 25 million tons gross of grain worldwide for delivery during October 1977/September 1978.

The Soviet grain crop in 1977 totaled 195 million tons, almost 20 million less than the planned level and 29 million tons below the record 1976 crop, but still the fourth largest crop on record. The Ukraine harvested a record grain crop in 1977, but the harvests in both the Russian Republic and Kazakhstan ranged from only about average to somewhat below average. A good harvest in the European part of the Russian Republic was offset by a relatively poor crop in the Volga Region, the Urals, and Siberia. Wheat is estimated to comprise roughly 90 million tons of the 1977 crop and coarse grains a similar quantity.

The 1977 grain crop is 25 million tons short of forecast 1977/78 Soviet grain requirements. Roughly two-thirds of the shortfall is expected to be made up through net grain imports and one-third through a drawdown in carryover stocks. Soviet grain imports in 1977/78 are forecast to be roughly equally divided between wheat and coarse grains, with the United States supplying about half of the wheat and almost all of the coarse grains. Feed use of grain in the USSR is expected to continue strong and to account for a little over half of total Soviet grain requirements in 1977/78.

Sunflowerseed production in 1977 totaled an estimated 6 to 6.5 million tons, much above the 1976 level but still well below the USSR's ambitious 7.6-million-ton plan target. The increased crop was gathered despite unfavorable weather during much of the harvest period, particularly in parts of the North Caucasus and the Lower Volga. As a result of the increased sunflowerseed harvest, vegetable oil output in October 1977, at 326,000 tons, was a near record for the month. Increased sunflowerseed production is expected to contribute to a much improved vegetable oil situation in 1978.

Sugarbeet production, at an estimated 95 million tons, was about equal to the plan goal, but slightly below the 1976 total of nearly 100 million tons. As a result, sugarbeet procurements total around 85 million tons, about equal to the 1976 level. Beet sugar output is expected to reach 8.5 million tons (refined value) in 1977/78, compared with the 6.8-million-ton total of the preceding year. Beets from the 1977 crop are being delivered to processing points in much better condition than the beets from the late-harvested, frost-bitten 1976 crop, a large share of which apparently spoiled before they could be processed.

Cotton production in the USSR has reached a record 8.7 million tons. This is 300,000 tons more than the previous record in 1974, and 5 percent above the 1976 level. Cotton was planted on a record 2.98 million hectares in 1977.

The Soviet livestock sector has continued to show good improvement over last year. As of October 1, 1977, inventories of all categories of livestock

on the socialized sector (state and collective farms and interfarm complexes) increased above year-earlier levels. Both cattle and sheep and goat numbers were up 2 percent, and cows were up 4 percent. Largest gains were made in poultry and hog numbers, which increased 18 and 11 percent, respectively. It is estimated that on January 1, 1978, total cattle, cow, and also sheep and goat inventories for all sectors will show small increases from a year earlier. Total hog and poultry inventories are expected to gain by substantially more.

The USSR estimated meat output this year at almost 15 million tons. This compares with the 13.4 million tons produced in 1976. It is estimated that final outturn of total meat in 1977 will reach 14.7 to 14.8 million tons. Largest percentage gains are expected to be in beef and veal, and in pork. Poultry meat and mutton and lamb are also expected to make relatively good gains. Output of milk and eggs are expected to exceed planned levels and are estimated to be up by about 4 and 7 percent, respectively, above 1976 production levels.

Fall seeding this year fell only 5 to 7 percent short of an expanded target. Although winter grains occupy close to a million hectares less than the 37 million seeded in the fall of 1976, the area sown compares with that achieved in other recent years. The 107.4 million hectares of land plowed this fall for seeding next spring exceed the number plowed in most recent years. (*Judith G. Goldich*: 202-447-8380)

Eastern Europe⁴

Preliminary estimates indicate this year's gross agricultural production in Eastern Europe will remain at about the 1976 level. Increases in Czechoslovakia, GDR, Hungary, and Yugoslavia were offset by declines in Bulgaria, Poland, and Romania. Hungary and Yugoslavia achieved record results, and Romania's performance was also very good, even though below last year's record level.

Grain production in Eastern Europe is expected to closely match 1976's record output of 94 million tons. Heavy rains at harvest time caused some quality deterioration of small grains in several countries and above average spoilage is anticipated.

Production of oilseeds will be lower than in 1976. From the major oilseeds, only sunflowerseed production is expected to reach 1976's production level. Production of rapeseeds and soybeans are down because Poland, the leading rapeseed produc-

⁴Bulgaria, Czechoslovakia, German Democratic Republic (GDR), Hungary, Poland, Romania, and Yugoslavia.

er, and Romania, the largest soybean producer in the region, had poor harvests.

A record sugarbeet crop was likely harvested in 1977, and sugar content is expected to be 1 to 2 percent higher than in 1976. Potato production is down sharply due to a significant decline in Poland, which usually accounts for about two-thirds of the region's potato crop. Abundant forage supplies will likely substitute for concentrates in ruminant feeding. Straw pellets treated with urea continue to get wider usage, especially in the GDR, where 1.3 million tons of pellets were produced this year. Production estimates of principal crops are as follows:

| Commodity | 1976 | 1977 |
|-----------------------------|---------------------|------|
| | <i>Million tons</i> | |
| Grains | 93.4 | 94.0 |
| Oilseeds ¹ | 3.6 | 3.4 |
| Sugarbeets | 43.3 | 48.7 |
| Potatoes | 70.0 | 62.4 |

¹ Sunflower, soybeans, and rapeseed.

Livestock numbers during 1977 increased in every country of the region. After a decline of 3.5 percent in hog numbers and 1.5 percent in cattle numbers during 1976, the estimated increase for 1977 is 8 percent and 1.5 percent, respectively. Hog numbers attained record levels for the region, and cattle numbers will be close to the record reached during 1974. However, in Poland, hog numbers were probably down 12 percent and cattle numbers down 5 percent from the previous highest levels in 1973-75. Per capita consumption of meat leveled off. A decline in domestic meat supply is reported in Bulgaria and the GDR. Increased demand for meats in Poland created intermittent shortages in government shops.

Reports published since October indicate that Polish agriculture fared worse than anticipated in 1977. Grain production, at an estimated 19.2 million tons, would be the lowest since 1970, and potatoes the smallest level since 1971. With feed production down and livestock inventories up, Polish grain import requirements are expected to be close to 8 million tons, compared with the about 6 million tons imported in 1976/77. Official statements indicate that the Polish government intends to maintain both the momentum of rebuilding livestock numbers and meat consumption at the present level of 70 kilograms per person. Despite inadequate domestic meat supplies, Poland continued to export meat and processed meat in order to maintain its traditional markets and also stepped up imports of lower quality meats in exchange. However, total exports of meat and meat

products during January-June 1977 ran 25,000 tons below the same period a year earlier.

The United States granted Poland a \$300-million CCC credit for fiscal 1978, primarily for grain purchases. (*Thomas Vankai*: 202-447-8380)

People's Republic of China

Agricultural production in 1977 in the People's Republic of China (PRC) appears to have been not too much better than the poor harvest of 1976. However, a firmer assessment will have to wait for the national and provincial reports from the PRC at yearend.

Severe cold during the winter and serious drought in the spring caused widespread damage to the over-wintering crops. However, plentiful rainfall and warm temperatures in the summer and fall considerably helped summer and autumn ripening crops. This year's crop developments can be summarized as follows:

—Winter wheat, barley and other over-wintering crops in the Yangtze River areas and northward were generally down from last year's excellent output, despite a fine harvest of spring wheat.

—Rice turned out better than in 1976, with a slightly better early rice crop and much improved late rice harvests.

—Miscellaneous grain crops—including corn, sorghum, and millet—were improved over 1976, although output was held down by a combination of early spring drought, localized summer floods, and early frost.

—Total grain production appeared to be slightly larger than 1976 output.

—Preliminary estimates of soybean output are up somewhat from 1976, and cotton is tentatively forecast at slightly below last year's production.

Weather since fall has been favorable to over-wintering crops. Fall ripening crops were harvested on time in most areas, and the planting of winter wheat and other crops was generally completed on schedule.

Given warmer temperatures and plentiful soil moisture, these over-wintering crops are off to a much better start than last year.

Sluggish agricultural performance during the past several years has been a major reason behind a sharp rise in China's agricultural imports during 1977. Imports of wheat, soybeans, edible oils, cotton, and sugar were all above levels of the past several years. This higher level of imports has generated the first significant new U.S. agricultural sales to China since 1974. By mid-November, the PRC had contracted for over \$100 million of U.S. cotton, soybeans, and soybean oil. The purchases apparently do not reflect a change in the PRC policy of regarding the United States as a residual supplier.

Grain imports—mainly wheat—are projected at 9.5 million tons for the 1977/78 June/July year. With over 4 million tons scheduled for the January-June 1978 period, substantial additional purchases for this period are not likely unless existing supply schedules fail to be met. However, China has less than 1 million tons contracted for the period after June.

China purchased 390,000 tons of soybeans during 1977, 75,000 tons from the United States. These purchases, combined with sharply reduced soybean exports, made China a net importer of soybeans for only the second time since 1949.

Edible vegetable oil imports also increased in 1977 due to tight domestic supplies. Imports during the year are estimated to be in excess of 150,000 tons, the majority of which is soybean oil. As of mid-November, over 50,000 tons of U.S. soybean oil had been sold. Domestic oil supplies will be somewhat eased during 1978 if the 1977 oilseed production assessment is correct. Consequently, imports may drop somewhat.

PRC purchases of cotton from other countries for delivery in the 1977/78 marketing year are not known, but by mid-November, nearly 250,000 bales of U.S. cotton had been purchased. Some additional U.S. purchases are likely, since it is probable that China is contracting for total imports in excess of the 650,000 bales imported during 1976/77.

The PRC has changed its economic development policy significantly since Mao's death. The current emphasis clearly is on stable and rapid economic growth. The changes were stressed in an October speech to the Standing Committee of the Fourth National People's Congress by Vice Premier Yu Chiu-li. To ensure planned, balanced, and rapid economic development, he proposed:

- Strengthening central planning;
- Strengthening managerial authority and accountability;
- More rapid growth of agricultural production through farm mechanization, farmland capital construction, and more support from central government and other economic sectors;
- Relative price adjustments and more emphasis on material incentives to increase efficiency and productivity;
- Rapid development of domestic scientific education and research, as well as increased introduction of Western technology; and
- Improvement in the standard of living in both urban and rural areas.

The change in policy seems to indicate new attempts to expand agricultural production through more efficient resource allocation and better management. Also, it could point to increased demand for farm products, stemming from higher incomes. (*Charles Y. Liu*: 202-447-8380)

Fiscal 1977 U.S. agricultural exports to developing Asia were about \$3.2 billion—the same as last year—as larger exports to South Korea, Taiwan, and Hong Kong offset smaller grain shipments to India and Bangladesh. The leading commodities were: cotton, \$842 million; wheat, \$553 million; coarse grains, \$305 million; soybeans, \$281 million; and tobacco, \$151 million. Further gains are anticipated in U.S. agricultural exports in fiscal 1978 to South Korea, Taiwan, Hong Kong, Indonesia, and Sri Lanka, while our exports to India will probably decline substantially below the fiscal 1977 level of \$415 million.

Pakistan's 1977 cotton production is expected to rise sharply to about 550,000 tons, compared with 410,000 in 1976. This rise is attributed to good weather and government efforts to distribute fertilizer and pesticides at planting time. Should the rise occur, Pakistan is planning to export about 84,000 tons of long staple cotton in 1978, compared with an estimate of only 14,000 tons in 1977. Pakistan also expects a second consecutive bumper rice crop in 1977 of around 3 million tons. This will allow for usual exports of 900,000 tons.

Afghanistan's 1976/77 wheat crop was reduced by drought. This shortfall will likely result in wheat imports of about 250,000 tons. Feed grain imports should rise slightly to 150,000 tons.

The major rice and corn growing areas of Terai and the eastern and western hills of *Nepal* were adversely affected by drought in recent months. According to government estimates, rice and corn production were down 10 and 15 percent, respectively. This could lead to some corn imports.

Total agricultural production in *India* in 1977 is likely to be about 5 percent above the 1976 level; however, in November, cyclones damaged 500,000 tons of rice, 200,000 tons of peanuts, and considerable quantities of tobacco in Andhra Pradesh and Tamil Nadu. An excellent 1977 monsoon contributed to good rice yields, and India likely reached a record 49 million tons, up from 42.8 million in 1976. Production of coarse grains, wheat, and sugar also increased in 1977. Peanut production in 1977 is not likely to be much higher than the poor 1976 harvest of 5.3 million tons. India is expected to again limit peanut exports in 1978, allowing the boom in U.S. exports of peanuts to continue. Efforts to reduce large government stocks of grain include shipments of 1.5 million tons of wheat to repay the Soviet grain loan, plus 100,000 tons of wheat for Vietnam. Rice exports this year are expected to reach 100,000 tons with shipments to Indonesia and the Mideast. Smaller wheat imports will contribute to a drop in agricultural imports to about \$1.2 billion in 1977—down from a peak of \$1.75 billion in 1975 and \$1.4 billion in 1976.

The *Bangladesh* food situation remains stable with 1976/77 (July-June) rice production estimated to be 11.7 million tons, and 1977 ending stocks estimated at 1 million tons. Food grain imports for the first six months of 1978 are scheduled to reach 475,000 tons (mostly wheat), compared with over 1 million tons (mostly wheat) during the last six months of 1977. U.S. P.L. 480 shipments are proposed at the 200,000-ton level for fiscal 1978.

Latest estimates indicate a record 1977 *Burmese* rice crop of 6.2 million tons; government plans are for a 1978 harvest of 6.4 million tons. Rice exports have increased, reaching 674,000 tons in 1976/77 (April-March) with plans for slightly higher levels this year.

Thai rice exports in 1977 are likely to reach a record 2.8 million tons, about 1 million tons above 1976. This increase results from a 1977 harvest of 10.6 million tons, plus the stoppage of over 500,000 tons of illicit border trade. June-July drought and September floods reduced corn production to only 1.8 million tons, down 900,000 tons from last year.

Malaysia's palm oil output during 1977 should approximate 1.65 million tons, a 20 percent rise from the 1976 level. Although the rate of new plantings has slowed somewhat, more than 53,000 hectares were planted during 1977 for a total of 685,000 hectares, of which about 64 percent are in production.

Good weather has been the key factor accounting for another large rice crop currently being harvested in the *Philippines* for the third straight year. The anticipated output of 4.3 million tons would exceed domestic use, allow stocks to reach 1.3 million tons by the end of 1977/78, and permit some rice exports during early 1978.

In contrast, August to mid-October drought reduced *Indonesia's* rice harvest to about 15.4 million tons—3 percent lower than the 1976 crop. However, rice consumption will not be reduced since 2.5 million tons of rice are expected to be imported during 1977/78 (April-March). An estimated 1 million tons will come from Thailand; imports from the United States are expected to total 350,000 tons, primarily through P.L. 480. Rice stocks held by the rice procurement agency (BULOG) are expected to decline slightly to about 700,000 tons by March 31, 1978.

In addition to the 2.1 million tons specified in the 5-year bilateral agreement signed in 1976, *Taiwan* intends to import another million tons of wheat, corn, and soybeans from the United States by the end of June 1978. Taiwan's traditional corn supplier, Thailand, was unable to fulfill export commitments because of a shortfall in production.

Primarily due to larger cotton sales, U.S. agricultural exports to *Hong Kong* are likely to reach \$300 million in 1977—up from \$206 million in 1976.

Grain imports by *South Korea* are likely to reach 4.4 million tons in 1977—up from 2.8 million tons in 1976. The U.S. share will decline from 96 percent in 1976 to 86 percent in 1977, mostly because of larger imports of Australian barley. South Korea's barley production declined from 1.76 million tons in 1976 to about 900,000 tons in 1977. Larger imports of coarse grains should enable U.S. agricultural exports to South Korea to reach \$1 billion in 1977—up from \$830 million in 1976. (*Asia Program*: 202-447-8106)

Africa and West Asia

About 50 percent more U.S. farm products were shipped to Africa in fiscal 1977 than were shipped in fiscal 1976. But because of lower prices, these products brought only 18 percent more dollars to the U.S. economy—\$1.14 billion in 1976 and \$1.35 billion in 1977. There was a quite different story on our imports of agricultural products. In 1977 we purchased a 6 percent larger volume of agricultural products from Africa, but we paid 40 percent more dollars for them—\$1.09 billion in 1976 and \$1.53 billion in 1977.

This means that the United States found itself in a deficit position on balance of agricultural trade with Africa in 1977, while the 1976 and traditional position has been a net surplus in the agricultural account.

North Africa

Widespread drought in North Africa during the spring of 1977 reduced wheat and barley crops in Morocco, Algeria, and Tunisia by about 40 percent. Grain import requirements of the three countries in 1977/78 are expected to reach 4 million tons. These three countries imported a total of 2.5 million tons of wheat in 1976/77.

In Egypt, 1977 agricultural production recorded a rise of about 3 percent leaving the per capita food output unchanged from 1976. Expected Egyptian imports of grain in 1977 exceed 5 million tons. These include 4.4 million tons of wheat and flour—45 percent from the United States. The U.S. share dropped some 2 percent from 1976.

West Africa

In response to unprecedented high world prices for cocoa and coffee, Ghana and Nigeria have increased producer prices for these crops to stimulate production. Both countries are major producers of cocoa and minor producers of coffee. In addition, Nigeria increased minimum prices for certain other cash and food crops in response to widespread inflation.

The Government of Niger also has increased producer prices to be paid in the 1977/78 crop year

for peanuts (a cash crop) and for millet and sorghum (food crops), as an incentive to farmers and also in response to widespread inflation.

The changes are as follows, converted to U.S. cents per pound:

Selected producer prices in West African countries

| | U.S. cents per pound | |
|-------------------------|----------------------|------|
| Ghana | | |
| Cocoa | 39.5 | 52.6 |
| Coffee | 46.0 | 59.2 |
| | 45.8 | |
| Nigeria | | |
| Cocoa | 45.8 | 71.5 |
| Coffee, arabica | 48.6 | 76.3 |
| Coffee, robusta | 42.3 | 65.9 |
| Coffee, liberica | 39.2 | 61.1 |
| Tea | n.a. | 48.6 |
| Kenef, dry ribbon | n.a. | 10.4 |
| Kenef, retted #1 | n.a. | 24.3 |
| Kenef, retted #2 | n.a. | 21.5 |
| Shea nuts | n.a. | 4.7 |
| Ginger, split | n.a. | 20.8 |
| Ginger, peeled | n.a. | 27.8 |
| Rice, paddy | 12.8 | 16.7 |
| Corn | 6.6 | 9.0 |
| Grain sorghum | 5.6 | 7.6 |
| Niger | | |
| Peanuts, shelled | n.a. | 13.1 |
| Peanuts, in shell | n.a. | 8.5 |
| Millet | 4.7 | 5.7 |
| Sorghum, white | 4.7 | 5.7 |
| Sorghum, red | 3.8 | 4.7 |

East Africa

Kenya's agriculture is having a boom year, led by expected record high marketings of coffee, tea, and corn.

For the coffee year ending September 30, 1977, production was nearly 87,000 metric tons, an increase of nearly 18 percent over the previous year, and a record high. A very good long rainy season as well as record prices were factors. The production outlook for the 1977/78 year is also good, but below the 1976/77 record. During October 1976-September 1977, U.S. coffee imports from Kenya were up 43 percent in value, to \$42 million, although the quantity was down by 28 percent to 10,119 tons.

Kenya's tea production during 1977 is estimated at 75,000 tons. This should surpass 1976's record by about 21 percent and keep Kenya well in the lead of African tea producers. Exports, forecast at 68,500 tons, would surpass the 1976 record by nearly 27 percent. Prices reached record levels during the first quarter of the year, before easing off. Tea export earnings are second only to coffee.

With the excellent rainfall and increased producer prices, Kenya's 1977/78 corn production is expected to reach a new record. In September of

1976 producer prices for corn were increased by 23 percent, to the equivalent of about \$108.40 per metric ton.

Southern Africa

The combined grain import needs of Angola, Zaire, Mozambique, and Madagascar will total about 900,000 tons in 1977/78. Each of these countries has the potential for self-sufficiency in food production. But for mainly political reasons, agriculture in these countries has not performed well recently.

West Asia

U.S. agricultural exports to West Asia markets reached \$1.1 billion in fiscal 1977—up from \$800 million in 1976. Strong gains in our shipments of wheat, rice, and tobacco plus new exports to certain markets provided much of the increase. Exports of U.S. barley to Arab markets are booming with new sales going to Iraq, Saudi Arabia, and Kuwait. New markets for U.S. corn have opened up in Iraq and Saudi Arabia, partly because of difficulty in obtaining additional deliveries from Thailand.

U.S. imports of agricultural products from West Asian countries totaled \$251 million in fiscal 1977.

Turkey.—Turkey ends 1977 with huge wheat reserves and a difficult foreign exchange situation. Rains in October improved soil moisture conditions for grain planting but they lowered the quality of unpicked cotton in the Aegean region.

Turkey sold just over 2 million tons of its surplus wheat in the first 11 months of 1977. Export sales of cotton have been very slow in late 1977 despite a 15 percent export subsidy and 10 percent devaluation of the Turkish lira.

Iran.—Continued strong demand has witnessed a further rise in Iran's imports, particularly of wheat, rice, feed grains, and oilseeds. A lower 1977 rice crop may evolve into imports exceeding 500,000 tons. Feed grain imports will likely reach 1 million tons in 1977/78.

Israel.—Citrus production in Israel for 1977/78 is expected near that of the last two years at 1.5 million tons. The 1976/77 grapefruit crop was a record but saw marketing difficulties in Europe due to competition from U.S. pink grapefruit. A sharp drop in food subsidies and devaluation of the Israel pound are not expected to cause substantial change in U.S. agricultural exports to Israel.

Syria.—In 1976, the United States became the number one supplier of food and agricultural products to Syria. The major U.S. items were rice, tobacco, corn, soybean oil, soybean meal, and vegetable seed. Total value was almost \$40 million.

Main Syrian farm products imported by the United States were oriental tobacco, wool, and licorice root. The total amounted to about \$5.4 million, 157 percent more than in 1975.

In 1977, Syrian imports of agricultural items from the United States are expected to fall below the 1976 level, due to a drop in purchases of tobacco and rice. Large imports of U.S. tobacco in 1976 were, in part, to meet the needs of a cigarette factory, the construction of which has been delayed. This delay has caused a buildup of stocks which will impact on U.S. exports. (*Africa and Middle East Program*: 202-447-8966)

Latin America

The agricultural situation in Latin America was improved during 1977 by general recovery from drought and other adverse conditions of the previous two years. The combined output of the 22 countries is forecast 5 percent above the 1976 high, paced by recovery in Brazilian coffee and rising output of oilseeds, feed grains, sugar, and cotton in the main exporting countries. Wheat harvests will be down sharply from high 1976 volumes in Argentina, Brazil, and Mexico. Rice crops were hurt by dry weather in Brazil and Colombia, and output of bananas and meat reflected some slowing in export demand. However, the food situation in Central America, the Caribbean, and Andean areas was improved by recovery in production of feed grains, pulses, tubers, and other by recovery in production of feed grains, pulses, tubers, and other food crops.

Larger supplies stimulated record 1977 grain and sugar exports, and volumes of fruits and vegetables (excluding bananas), oilseeds, and related products rose in response to strong demand. January-October shipments of coffee, cocoa beans and meats fell below year earlier levels, but high coffee prices helped maintain record earnings. Late year recovery will raise wheat imports above the 1976 volume of 7.6 million tons. However, unusually strong demand for feed grains, oilseeds, oilmeals, and fats was associated with 1976 production shortfalls and improved economic and trade prospects in the importing countries. U.S. agricultural imports from Latin America rose to \$4.8 billion during January-October 1977 to exceed the record yearly value of \$4.3 billion in 1974. U.S. agricultural exports increased from a 1976 value of \$1.62 billion to \$1.86 billion despite a sharp drop in wheat sales and a further decline in grain prices.

Argentina's 1977 corn crop (8.3 million tons) and record sorghum harvest (6.6 million tons) added to unusually large supplies of 1976 wheat. Total grain exports are estimated at a record high 15 million tons, and liberalized trade policies encouraged the expansion in 1977 exports to Brazil, Chile, and other South American markets. Production and

export of oilseeds and oilseed products continued up during the year, along with cotton, sugar, fruits, and other crops.

However, the 1977 livestock situation was less favorable and beef exports are estimated near the 1976 volume of 530,000 tons. Price supports for 1977/78 grains were changed from a fixed minimum to 80 percent of the export price. Due to reduced price prospects and midyear drought, wheat plantings were cut sharply; the late 1977 harvest is forecast from 6 to 6.5 million tons, compared with 11 million tons the previous year. Although carryover stocks are larger, 1978 wheat exports are forecast at less than one-half the 1977 volume of 6 million tons.

Brazil's agricultural production rose sharply again in 1977 despite significant cutbacks in rice and wheat. Record harvests of soybeans, corn and sugarcane and strong gains in cotton provided larger exports and the sharp recovery in coffee production improved the 1978 outlook for exports. Large carryover stocks stimulated record rice sales. Coffee shipments continued above 1976 volume as prices advanced to record highs early in the year and total export earnings are estimated sharply above the 1976 record of \$6 billion. A record 1976 crop contributed to reduced wheat imports. However, the current wheat harvest is forecast down sharply to 2.4 million tons and 1978 imports are expected to reach a new high of about 4 million tons.

Mexico's situation was improved by strong 1977 gains in production and exports of fruits, vegetables, and cotton. Wheat production fell sharply to about 2.3 million tons. However, the current corn harvest is forecast to exceed last year's record and a significant recovery is forecast for this year's sorghum and oilseed crops. The moderate rising trend in livestock will provide some increase in cattle and meat exports. The improved trade situation was reflected in U.S. agricultural imports from Mexico for January-October 1977 which reached \$863 million compared with the record yearly total of \$767 million in 1974. During that period, Mexican purchases of 1.9 million tons of U.S. corn, and sorghum more than doubled year earlier volume, adding to strong gains in shipments of soybeans, oilmeals, and fats. Mexico also reentered the U.S. market during July-October for wheat purchases of more than 400,000 tons. For January-October, U.S. exports rose from a 1976 value of \$299 million to \$575 million this year.

In Other Latin America, a continued rise of agricultural output in Central America, the Dominican Republic, and Paraguay added to 1977 recovery in Chile, Colombia, Guyana, and Venezuela. Rising demand for U.S. feed grains, oilseeds and oilmeals,

and fats were stimulated by larger than usual shortfalls in 1976 food production, improved export earnings, and a recurrence of inflation in many of those countries. U.S. wheat exports for January-October fell from the 1976 volume of 2.6 million tons to 2.4 million in 1977, reflecting smaller purchases by Chile, Ecuador, and the Caribbean

countries. However, total U.S. exports for the period rose from \$1.08 billion to \$1.21 billion this year. U.S. wheat sales to other Latin America are expected to rise sharply in 1978, reflecting a sharp decline in Chilean production and stronger demand in the Caribbean and Andean countries. (*Howard L. Hall*: 202-447-8133)

WORLD FOOD AND TRADE POLICY DEVELOPMENTS

International Sugar Agreement

A new International Sugar Agreement (ISA) will provisionally come into force on January 1, 1978 when signed by at least 65 percent of the total votes of importers and 55 percent of exporters' votes. Final official ratification by member countries must be completed by the end of 1978; meanwhile obligations will apply to each signatory as if the ISA had been fully ratified.

The new ISA is aimed at stabilizing the world price of sugar at a range of 11 to 21 cents by means of export quotas and stocks. Earlier ISA's had no stock mechanisms. It contains the following provisions:

—Basic export tonnages (BETs) which determine the proportion of the global quota applicable to each country, have been established for the first 2 years of the 5-year Agreement. In subsequent years, the BETs are to be renegotiated or, if that fails, are to follow a formula that gives significant weight to export performance. Cuba's exports to the USSR and Eastern Europe will not count against its export quota, but Cuban exports to other communist countries above 650,000 tons are included. Exports to the EC under the Lome Convention and associated arrangements are not to be charged against exporters.

—The global quota will be progressively reduced in 5-percent steps as price drops below 13, 12, and 11.5-cents a pound (a total of 15 percent); the quota will be reinstated in 5-percent steps as the price rises and exceeds 13, 14, and 14.5-cents a pound. Above 15 cents, quotas must be suspended; below 14 cents, quotas must be restored. If the prevailing market price remains below 11 cents for 75 consecutive market days any time during the first 2 years of the Agreement, an additional cut of 2.5 percent in the global quota may be authorized.

—Members with export quotas are to accumulate 2.5 million tons of sugar as "special stocks." At least 1 million tons (40 percent) have to be set aside within the first year, another million in the second year, and the balance in the third year. A country's stocks obligation generally would be in the same proportion as its share of the total of

export quotas. Unless the Council decides otherwise, a third of the special stocks must be released when the prevailing world sugar price exceeds 19 cents a pound, another third at above 20 cents, and the balance at above 21 cents. Holders of special stocks may obtain interest-free loans to defray storage costs. When prices rise to the stock release points, the loans will be subject to repayment.

—Imports from non-members will be limited to 75 percent of a historical average (the three highest import years within 1973-76) when prices ranged 11 to 21 cents, and to 55 percent when prices are below 11 cents. Above 21 cents, there will be no limits on imports.

The member exporting countries are estimated to have a potential 17 million tons for export in 1978. Because the market cannot absorb this volume and raise prices to the desired level, the ISA provides that 1978 shipments be limited to 13.5 million tons, with an additional reduction of about 400,000 tons possible, if the world market price remains below 11 cents. Part of world stocks will thereby be withheld to create, in the short run, a balance between supply and demand at a price that, it is hoped, will be at least 11 cents before the end of 1978. (*Robert D. Barry*: 202-447-9160)

Multilateral Trade Negotiations

The U.S.-Mexican agreement signed December 2, is the first concrete result of the Geneva Multilateral Trade Negotiations (MTN). It provides for import duty reductions on Mexican exports to the United States on products valued (based on 1976 trade) at about \$55 million (\$50 million for agricultural products) and for tariff bindings and liberalized import licenses on U.S. export to Mexico valued at about \$40 million (\$35 million for agricultural products). Mexican exports include dried chickpeas, seasonal fresh cantaloupes and watermelons, mangoes, and inedible molasses. U.S. exports include evaporated milk, tallow, shell eggs (except for hatching), vegetable proteins, canned fruit cocktail, and essential oil of lemon. Concessions granted under the agreement will be extended automatically to other nations under

Most-Favored-Nation treatment. The agreement is expected to be implemented between January and March 1978, after ratification by the Mexican Government and issuance of a U.S. presidential proclamation under the Trade Act.

On November 1, 1977, the United States was the first country—followed by other major participants—to submit requests for tariff reductions and other concessions on some 1,000 individual items representing an annual volume of about \$11 billion of U.S. exports; those requested from the European Community cover about \$2.2 billion annually of U.S. agricultural exports, including tobacco, poultry, citrus fruit, beef, and other products. Agricultural concessions are also being sought from Japan, other developed countries, and selected developing countries.

A working hypothesis for tariff reductions—based on a Swiss formula providing an over-all tariff cut in the range of 40 percent and tariff harmonization—was agreed upon in September. The negotiators have not yet made a final commitment as to whether or not, or to what extent the formula will be applied to tariff negotiations. The Dairy and Meat Subgroups met in November and continued discussions of EC and New Zealand proposals for an international dairy arrangement and of EC and Australian proposals for an international arrangement for live animals and meat. The United States has indicated willingness to cooperate constructively in both Subgroups' work, but stated it could not commit itself in advance to participate in any such arrangements that might emerge.

The U.S. submission of request for concession and the tariff-cutting hypothesis are part of a 4-phase negotiating timetable agreed upon by the United States and the EC in July, 1977. Texts of multilateral codes for standards, government procurement, customs valuation, and import licensing have been tabled. It is expected that major participants will soon agree on texts concerning safeguards, as well as subsidies and countervailing actions. It is hoped that the MTN will enter its final stage on January 15, 1978 when tariff and non-tariff measure offers are tabled. (*Barbara S. Blair*: 202-447-7590)

Common Fund Negotiations Suspended

The UNCTAD negotiating conference for a Common Fund held in November was suspended because of disagreement between the developed and developing countries on the method of financing the Fund and on the measures to be financed by the Fund. The Common Fund is one of the principal elements of the Integrated Program for Commodities adopted at UNCTAD IV (United

Nations Conference on Trade and Development) in 1976 to stabilize commodity prices and export earnings of developing countries.

The developing countries have proposed that the initial capital to establish the Fund—\$3 billion—be obtained by direct government contributions of \$1 billion and by borrowing the balance on private international capital markets. Developed countries maintain that finances for buffer stocks should be obtained from the pooling of financial resources of individual international commodity agreements and from commercial borrowing backed by official guarantees and negotiable stock warrants.

The developing countries also envisage the Fund financing so called "other measures"—such as commodity diversification, market promotion and research, and improvements in marketing—from a separate account within the Common Fund. Industrialized nations maintained that the Fund should be confined to financing only buffer stocks and that financial assistance for the other measures are being provided for by existing international financial institutions. (*Barbara S. Blair*: 202-447-7590)

International Fund for Agricultural Development

The \$1-billion International Fund for Agricultural Development (IFAD) became officially operational in December with the announcement that sufficient countries had deposited instruments of cash or credit pledged to exceed the \$750-million ratification target.

Voting power in the IFAD will be equally divided between three groups of nations representing the developed, OPEC, and developing countries.

IFAD aims at mobilizing concessional aid to agricultural development in the developing countries, particularly in countries with per capita income under \$500. Priority is to be given to small farmers and landless agricultural laborers in all developing countries. (*Richard M. Kennedy*: 202-447-8261)

International Grain Reserves

Preparatory groups considered drafts of a proposed International Wheat Agreement (IWA) prepared by the International Wheat Council (IWC) secretariat this fall that could include an international system of nationally held grain reserves and a new Food Aid Convention. The IWC announced in early December that it would schedule a meeting January 10, 1978 to decide whether or not to convene a full negotiating conference on a new IWA. (*W. Scott Steele*: 202-447-8228)

Table 2--Industrial Countries: Changes in GNP and Prices, 1962-72, 1975-77. 1/

| Country | Annual | Change from Preceding Year | | |
|-----------------------------|-------------------------|----------------------------|------|------|
| | Average : 1962-72 2/ | 1975 | 1976 | 1977 |
| | | | | |
| | | - - - Percent - - - | | |
| Real GNP | | | | |
| Canada | 5.5 | 1.1 | 4.9 | 3.4 |
| United States | 3.9 | -1.3 | 6.0 | 5.0 |
| Japan | 10.3 | 2.4 | 6.3 | 5.6 |
| France | 6.0 | 0.1 | 5.2 | 3.3 |
| Germany, Fed. | | | | |
| Rep. | 4.5 | -2.5 | 5.7 | 3.9 |
| Italy | 4.6 | -3.5 | 5.6 | 2.5 |
| United Kingdom | 2.4 | -1.6 | 1.5 | 1.1 |
| Other Coun- tries 3/ | 4.6 | -2.0 | 3.4 | n.a. |
| All industrial countries | 4.6 | -0.9 | 5.4 | 4.2 |

1/ All changes in GNP except for 1977 are from IMF, Annual Report 1977, Washington, D.C., September, 1977. Forecasts for 1977 are an average of forecasts from Euromoney, October 1977.

2/ Compound annual rates of change.

3/ Includes Austria, Belgium, Denmark, the Netherlands, Norway, Sweden, and Switzerland.

Table 3--Changes in Prices 1962-72, 1975-77. 1/

| Country | Annual | Change from Preceding Year | | |
|-----------------------------|-------------------------|----------------------------|------|----------|
| | Average : 1962-72 2/ | 1975 | 1976 | 1977 |
| | | | | Forecast |
| Canada | 3.6 | 11.2 | 9.5 | 7.3 |
| United States | 3.5 | 9.6 | 5.3 | 6.3 |
| Japan | 4.9 | 7.4 | 6.4 | 8.4 |
| France | 4.4 | 12.9 | 9.7 | 9.2 |
| Germany, Fed. | | | | |
| Rep. | 4.0 | 7.1 | 3.1 | 4.2 |
| Italy | 5.0 | 17.3 | 17.8 | 19.4 |
| United Kingdom | 5.7 | 28.3 | 15.1 | 15.5 |
| Other Coun- tries 3/ | 5.2 | 11.2 | 7.8 | n.a. |
| All industrial Countries | 4.1 | 10.9 | 7.3 | n.a. |

1/ All price changes except for 1977 are from IMF, Annual Report 1977, Washington, D.C., September, 1977 and are GNP deflators. Forecasts for 1977 represent an average of consumer price index forecasts from Euromoney, October 1977.

2/ Compound annual rates of change.

3/ Includes Austria, Belgium, Denmark, the Netherlands, Norway, Sweden, and Switzerland.

Table 4--Measures of Industrial Operating Capacity Utilization for Major Industrialized Countries.

| Year | United States | France | F.R. Germany | Italy |
|------|---------------------|-------------------|-----------------|--------|
| | | | | |
| | - - - Percent - - - | | | |
| 1969 | 95.1 | 94.8 | 95.8 | 91.4 |
| 1971 | 86.4 | 93.8 | 94.0 | 89.8 |
| 1973 | 97.1 | 96.3 | 96.9 | 93.5 |
| 1975 | 80.4 | 81.2 | 83.9 | 84.3 |
| 1976 | 87.5 | 85.0 | 85.0 | 92.0 |
| 1977 | | | | |
| | | | | |
| Year | Nether- lands | United Kingdom | Japan | Canada |
| | | | | |
| | - - - Percent - - - | | | |
| 1969 | 94.9 | 97.4 | 94.3 | 95.2 |
| 1971 | 95.6 | 94.0 | 92.7 | 93.2 |
| 1973 | 93.9 | 98.2 | 98.0 | 97.5 |
| 1975 | 83.0 | 88.8 | 74.9 | 89.2 |
| 1976 | n.a. | 88.0 | 81.0 | 83.0 |
| 1977 | | | | |

Sources: 1969-75: U.S. Department of Commerce, International Economic Indicators, June 1977; 1976-1977: OECD, Economic Outlook, July 1977.

Table 5--U.S. Exchange Rates Weighted by 1976 Trade Shares of 67 Country Trading Partners. (April 1971 = 100; end of year index unless otherwise specified.)

| Year | U.S. Dollar Cost of Foreign Currencies | Foreign Currency Cost of U.S. Dollars |
|------------|---|--|
| | With Which to Buy U.S. Imports | With Which to Buy U.S. Exports |
| 1974 | 108.3 | 94.6 |
| 1975 | 104.4 | 99.6 |
| 1976 | 102.7 | 107.9 |
| 1977-June | 103.0 | 109.9 |
| 1977-Sept. | 103.0 | 111.2 |
| 1977-Nov. | 104.7 | 112.8 |

Source: U.S. Department of Commerce.

Table 6.--Prices received by farmers for selected commodities, changes in 1977 from the same quarter a year earlier

[illegible]

Table 8.--Export and import unit values of selected commodities, changes in 1977
from the same quarter a year earlier

| | : | : | : | : | : |
|-------------------------|---|----------------|-----------|--------------|------------|
| | : | United States | : | Japan | : |
| | : | : | : | West Germany | : |
| | : | : | : | : | Canada |
| | : | : | : | : | : |
| | : | Percent change | | | |
| | : | ----- | | | |
| Quarter | : | II | III | II | II |
| | : | | | | |
| Wheat | : | -24.2 (X) | -26.3 (X) | -31.5 (I) | -24.7 (I) |
| | : | | | | -22.3 (X) |
| Corn | : | -9.8 (X) | -23.6 (X) | -12.6 (I) | -27.4 (I) |
| | : | | | | --- |
| Soybeans | : | +77.6 (X) | +53.9 (X) | +43.5 (I) | -15.9 (I) |
| | : | | | | +108.4 (I) |
| Soybean Oil | : | +59.3 (X) | +28.1 (X) | --- | --- |
| | : | | | | +71.4 (I) |
| Soybean Meal | : | +52.3 (X) | +17.8 (X) | --- | -22.6 (I) |
| | : | | | | +41.5 (I) |
| Cotton | : | +28.1 (X) | +8.5 (X) | +24.9 (I) | -24.7 (I) |
| | : | | | | +41.5 (I) |
| Tobacco | : | +5.3 (X) | +6.3 (X) | --- | -1.9 (I) |
| | : | | | | +26.1 (X) |
| Rice | : | +1.4 (X) | +4.3 (X) | --- | +7.3 (I) |
| | : | | | | +4 (I) |
| Coffee | : | +155.6 (I) | +98.6 (I) | +116.9 (I) | +38.6 (I) |
| | : | | | | +194.8 (I) |
| Sugar | : | -32.4 (I) | -32.5 (I) | -27.1 (I) | -13.9 (I) |
| | : | | | | -34.9 (I) |
| Cocoa Beans | : | +94.6 (I) | +62.0 (I) | +122.8 (I) | +103.2 (I) |
| | : | | | | +222.0 (I) |
| Beef | : | -3.8 (I) | -11.8 (I) | -14.9 | +5.6 (I) |
| | : | | | | -7.8 (X) |
| Natural Rubber | : | +17.3 (I) | 0 (I) | +1.4 (I) | -4.5 (I) |
| | : | | | | +19.4 (I) |
| Export Unit Value Index | : | +11.3 | -6.6 | +23.4 | -12.1 |
| | : | | | | -7.8 |
| Import Unit Value Index | : | +39.2 | +10.9 | -5.2 | +3.4 |
| | : | | | | +18.9 |

I = Import, unit value

X = Export, unit value

Table 9.--The food component of the consumer price index in selected countries

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1976 | | | | 1977 | |
|----------------------|------|------|------|-------|-------|----------|-------|-------|-------|--------|-------|
| | | | | | | I | II | III | IV | I | II |
| | | | | | | 1970=100 | | | | | |
| Argentina | 231 | 359 | 413 | 1,187 | 6,632 | 3,372 | 6,076 | 7,279 | 9,802 | 13,150 | |
| Australia | 108 | 124 | 143 | 154 | 171 | 168 | 169 | 174 | 181 | 184 | 190 |
| Austria | 110 | 118 | 128 | 136 | 144 | 142 | 143 | 146 | 146 | 151 | 153 |
| Bangladesh | 148 | 217 | 366 | 443 | 357 | 355 | 346 | 366 | 359 | 345 | 366 |
| Belgium 1/ | 109 | 117 | 128 | 143 | 160 | 156 | 159 | 160 | 164 | 168 | 167 |
| Brazil | 100 | 120 | 154 | 199 | 238 | 257 | 276 | 298 | 328 | 362 | |
| Cameroon | 114 | 123 | 146 | 171 | 186 | 179 | 186 | 188 | 193 | 203 | 213 |
| Canada | 109 | 125 | 145 | 164 | 168 | 168 | 168 | 169 | 168 | 173 | 179 |
| Colombia | 128 | 169 | 215 | 281 | 329 | 301 | 316 | 334 | 364 | 386 | 461 |
| Czechoslovakia | 99 | 100 | 100 | 100 | 100 | 100 | 100 | 102 | 102 | 101 | |
| Denmark | 116 | 131 | 147 | 163 | 181 | 172 | 179 | 181 | 191 | 194 | 198 |
| Ecuador | 118 | 142 | 188 | 223 | 245 | 233 | 234 | 244 | 268 | 271 | |
| Egypt | 106 | 140 | 135 | 152 | 174 | 163 | 174 | 176 | 183 | 271 | |
| Ethiopia | 88 | 99 | 108 | 113 | 160 | 133 | 162 | 168 | 176 | 169 | 177 |
| France | 115 | 126 | 141 | 158 | 175 | 166 | 170 | 174 | 180 | 185 | 193 |
| Germany, West | 110 | 118 | 124 | 130 | 137 | 135 | 138 | 137 | 137 | 142 | 145 |
| Greece | 109 | 133 | 169 | 189 | 215 | 212 | 219 | 209 | 221 | 236 | 246 |
| India | 108 | 131 | 171 | 179 | 156 | 153 | 151 | 158 | 162 | 164 | 168 |
| Indonesia | 113 | 162 | 229 | 277 | 338 | 324 | 329 | 345 | 352 | --- | |
| Iran | 116 | 124 | 144 | 161 | 172 | 166 | 181 | 168 | 176 | 195 | 211 |
| Ireland | 120 | 140 | 160 | 195 | 227 | 213 | 226 | 243 | 251 | 263 | |
| Israel | 123 | 149 | 215 | 314 | 402 | 353 | 387 | 408 | 458 | 591 | 530 |
| Italy | 111 | 124 | 146 | 172 | 202 | 187 | 199 | 204 | 217 | 228 | 236 |
| Japan | 110 | 124 | 159 | 180 | 196 | 192 | 196 | 196 | 200 | 206 | 209 |
| Jordan | 118 | 140 | 189 | 219 | 267 | 285 | 265 | 248 | 269 | 353 | 388 |
| Korea | 135 | 138 | 176 | 233 | 274 | 259 | 269 | 286 | 282 | 291 | 298 |
| Liberia | 91 | 118 | 149 | 172 | 172 | 168 | 170 | 174 | 172 | 183 | |
| Malawi | 116 | 124 | 144 | 172 | 176 | 188 | 172 | 169 | 174 | 182 | 173 |
| Malaysia | 105 | 121 | 154 | 159 | 162 | 161 | 160 | 162 | 164 | 169 | 168 |
| Mexico | 109 | 126 | 164 | 184 | 208 | 197 | 200 | 205 | 228 | 250 | |
| Mozambique | 130 | 127 | 155 | 174 | 188 | 182 | 191 | 185 | 195 | 231 | |
| Netherlands | 111 | 120 | 129 | 139 | 153 | 147 | 151 | 154 | 158 | 159 | 163 |
| New Zealand | 114 | 127 | 142 | 157 | 186 | 175 | 183 | 190 | 196 | 205 | 212 |
| Niger | 123 | 144 | 148 | 160 | 201 | 175 | 193 | 208 | 229 | 239 | 233 |
| Nigeria | 126 | 120 | 150 | 214 | 268 | 267 | 265 | 266 | 275 | 298 | 333 |
| Pakistan | 105 | 131 | 171 | 209 | 222 | 212 | 216 | 224 | 235 | 246 | 244 |
| Paraguay | 121 | 147 | 183 | 192 | 200 | 203 | 198 | 196 | 202 | 220 | 227 |
| Peru | 115 | 126 | 150 | 199 | 263 | 233 | 237 | 282 | 301 | 329 | 343 |
| Philippines | 157 | 164 | 237 | 253 | --- | 271 | 276 | --- | --- | --- | |
| Portugal | 120 | 131 | 173 | 214 | 264 | 250 | 248 | 263 | 294 | 323 | 360 |
| Rep. of South Africa | 112 | 129 | 149 | 171 | 184 | 178 | 180 | 186 | 190 | 196 | 197 |
| Spain | 118 | 132 | 152 | 177 | 211 | 192 | 210 | 216 | 224 | --- | --- |
| Sri Lanka | 108 | 122 | 139 | 150 | 148 | 149 | 149 | 147 | 147 | 148 | 150 |
| Sweden | 119 | 126 | 134 | 150 | 169 | 162 | 168 | 172 | 173 | 181 | 190 |
| Thailand | 101 | 122 | 157 | 164 | 173 | 170 | 171 | 172 | 178 | 183 | |
| Turkey | 127 | 152 | 181 | 235 | 277 | 263 | 271 | 280 | 296 | 309 | 321 |
| United Kingdom | 121 | 139 | 164 | 206 | 247 | 234 | 243 | 246 | 267 | 286 | 296 |
| United States | 108 | 123 | 141 | 153 | 157 | 157 | 157 | 158 | 158 | 162 | 167 |
| Uruguay | 241 | 489 | 844 | 1,442 | 2,128 | 1,823 | 1,907 | 2,276 | 2,507 | 2,857 | 3,203 |
| Venezuela | 109 | 117 | 132 | 151 | 164 | 157 | 161 | 167 | 171 | 173 | 180 |
| Yugoslavia | 139 | 169 | 196 | 244 | 283 | 273 | 291 | 274 | 293 | 329 | 335 |
| Zaire | 133 | 155 | 200 | 261 | --- | 426 | 465 | --- | --- | --- | |
| Zambia | 112 | 119 | 130 | 145 | 177 | 163 | 171 | 181 | 192 | 198 | --- |

1/ 1972=100.

SOURCE: International Labor Office, Bulletin of Labor Statistics.

Table 10.--Consumer prices for food, changes in 1977 from the same quarter a year earlier

| Country | Quarter | Percent Change |
|----------------|---------|----------------|
| Argentina | I | +289 |
| Australia | II | +12 |
| Bangladesh | II | +6 |
| Belgium | II | +5 |
| Brazil | II | +41 |
| Cameroon | II | +15 |
| Canada | II | +7 |
| Colombia | II | +46 |
| Czechoslovakia | I | +1 |
| Denmark | II | +11 |
| Ecuador | II | +16 |
| Egypt | I | +66 |
| Ethiopia | II | +9 |
| France | II | +14 |
| West Germany | II | +5 |
| Greece | II | +12 |
| India | II | +11 |
| Iran | II | +17 |
| Ireland | I | +23 |
| Israel | II | +37 |
| Italy | II | +19 |
| Japan | II | +7 |
| Jordan | II | +46 |
| Korea | II | +11 |
| Liberia | I | +9 |
| Malawi | II | +1 |
| Malaysia | II | +5 |
| Mexico | I | +27 |
| Mozambique | I | +27 |
| Netherlands | II | +8 |
| New Zealand | II | +16 |
| Niger | II | +21 |
| Nigeria | II | +26 |
| Pakistan | II | +13 |
| Paraguay | II | +15 |
| Peru | II | +45 |
| Portugal | II | +45 |
| South Africa | II | +9 |
| Sweden | II | +13 |
| Thailand | I | +8 |
| Turkey | II | +19 |
| United Kingdom | II | +22 |
| United States | II | +6 |
| Uruguay | II | +68 |
| Venezuela | II | +12 |
| Yugoslavia | II | +15 |
| Zambia | II | +21 |

Table 11--U.S. agricultural exports: Volume of selected commodities, October-September 1975/76-1977/78

| | : | : | : | Forecast | | |
|---------------------------|---|---------------------------------|---|----------|---|---------|
| | : | 1975/76 | : | 1976/77 | : | 1977/78 |
| | : | ----- Million metric tons ----- | | | | |
| Wheat and flour | : | 30.611 | : | 24.723 | : | 31.0 |
| Feed grains | : | 49.855 | : | 50.602 | : | 51.6 |
| Rice | : | 1.953 | : | 2.229 | : | 2.2 |
| Soybeans | : | 15.050 | : | 15.156 | : | 16.6 |
| Vegetable oils | : | .888 | : | 1.142 | : | 1.1 |
| Oilcake and meal | : | 4.870 | : | 4.336 | : | 4.4 |
| Cotton, including linters | : | .770 | : | 1.033 | : | 1.0 |
| Tobacco | : | .273 | : | .296 | : | .3 |
| Fresh fruit | : | 1.372 | : | 1.345 | : | 1.5 |
| Animal fats | : | 1.026 | : | 1.379 | : | 1.2 |
| Total | : | 106.668 | : | 102.241 | : | 110.9 |

Table 12.--World total grain production, consumption and net exports

| | 1960/61-62/73 | | | 1969/70-71/72 | | | 1975/76 | | | 1976/77 2/ | | | 1977/78 3/ | | |
|-----------------------------|---------------------------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|
| | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports |
| | ----- Million metric tons ----- | | | | | | | | | | | | | | |
| Developed Countries | 313.4 | 297.7 | 20.2 | 399.3 | 372.9 | 31.4 | 455.8 | 374.7 | 75.0 | 465.7 | 376.3 | 58.5 | 481.0 | 390.3 | 71.1 |
| United States | 168.3 | 139.8 | 32.7 | 208.7 | 169.0 | 39.3 | 246.6 | 154.5 | 82.6 | 254.8 | 151.9 | 77.5 | 262.1 | 162.8 | 81.6 |
| Canada | 22.9 | 14.2 | 9.7 | 32.4 | 20.1 | 14.9 | 37.1 | 21.6 | 16.5 | 44.9 | 21.7 | 17.1 | 41.9 | 21.9 | 19.6 |
| EC-9 | 68.9 | 89.4 | -21.5 | 91.9 | 109.2 | -16.6 | 98.1 | 114.3 | -11.3 | 91.3 | 115.1 | -22.3 | 106.3 | 116.2 | -12.3 |
| Other Western Europe | 20.1 | 24.3 | -4.3 | 28.5 | 33.3 | -4.9 | 33.1 | 40.1 | -7.1 | 32.9 | 41.5 | -8.1 | 32.0 | 42.2 | -9.8 |
| Other Western Europe | 20.1 | 24.3 | -4.3 | 28.5 | 33.3 | -4.9 | 33.1 | 40.1 | -7.1 | 32.9 | 41.5 | -8.1 | 32.0 | 42.2 | -9.8 |
| South Africa | 7.0 | 4.7 | 2.2 | 10.1 | 7.1 | 2.5 | 9.5 | 8.7 | 1.5 | 12.3 | 9.0 | 3.1 | 11.7 | 8.9 | 2.5 |
| Japan | 15.6 | 21.0 | -5.3 | 12.7 | 27.9 | -14.4 | 12.5 | 30.4 | -19.4 | 11.2 | 31.7 | -21.4 | 12.3 | 32.9 | -22.2 |
| Oceania | 10.8 | 4.4 | 6.7 | 15.0 | 6.3 | 10.8 | 18.9 | 5.1 | 12.4 | 18.3 | 5.5 | 12.7 | 14.8 | 5.3 | 11.5 |
| Centrally Planned Countries | 293.8 | 297.3 | -3.3 | 401.3 | 416.5 | -5.9 | 409.4 | 457.6 | -34.3 | 497.5 | 501.2 | -21.9 | 464.7 | 509.4 | -36.3 |
| Eastern Europe | 56.6 | 63.5 | -6.6 | 73.8 | 81.6 | -6.8 | 88.0 | 96.4 | -7.6 | 94.0 | 104.0 | -12.0 | 94.7 | 104.3 | -10.2 |
| U.S.S.R. | 126.3 | 119.0 | 7.3 | 167.4 | 171.8 | 4.0 | 133.4 | 171.8 | -25.5 | 213.2 | 204.5 | -7.3 | 181.4 | 207.7 | -17.3 |
| People's Republic of China | 110.9 | 114.8 | -3.9 | 160.0 | 163.1 | -3.1 | 188.0 | 189.3 | -1.3 | 190.3 | 192.8 | -2.6 | 188.7 | 197.5 | -8.9 |
| Developing Countries | 233.5 | 244.2 | -13.4 | 307.2 | 324.5 | -18.4 | 346.8 | 367.3 | -32.2 | 361.7 | 378.2 | -24.0 | 351.4 | 385.5 | -32.9 |
| Middle America | 9.7 | 10.4 | -0.7 | 15.8 | 17.0 | -1.0 | 19.9 | 22.6 | -3.4 | 19.8 | 23.7 | -3.7 | 19.4 | 24.4 | -4.8 |
| Venezuela | 5.5 | 9.9 | -4.4 | 8.8 | 1.8 | -1.0 | 1.0 | 2.2 | -1.3 | 1.0 | 2.8 | -1.9 | 1.4 | 3.1 | -1.7 |
| Brazil | 13.8 | 15.7 | -1.8 | 20.4 | 22.0 | -1.6 | 25.8 | 27.2 | -2.1 | 27.3 | 29.0 | -1.5 | 26.7 | 30.0 | -2.8 |
| Argentina | 13.2 | 8.3 | 5.2 | 19.4 | 11.3 | 8.1 | 21.2 | 12.1 | 10.3 | 28.2 | 12.1 | 15.9 | 22.3 | 11.9 | 11.8 |
| Other South America | 5.6 | 6.7 | -1.0 | 6.8 | 8.9 | -2.1 | 7.9 | 10.3 | -2.9 | 8.0 | 10.5 | -2.5 | 8.1 | 11.1 | -2.8 |
| North Africa/Middle East | 31.3 | 36.5 | -5.5 | 39.6 | 47.6 | -8.9 | 46.4 | 58.6 | -14.3 | 53.4 | 63.5 | -14.1 | 47.5 | 64.0 | -16.6 |
| Central Africa | 18.9 | 19.7 | -2.4 | 22.4 | 24.1 | -1.8 | 21.5 | 23.8 | -2.4 | 21.4 | 24.4 | -3.1 | 21.9 | 25.0 | -3.2 |
| East Africa | 7.4 | 7.3 | 0.1 | 9.6 | 9.8 | -0.2 | 10.8 | 11.0 | -0.2 | 10.5 | 10.5 | -0.1 | 10.3 | 10.8 | -0.3 |
| South Asia | 92.1 | 97.4 | -6.2 | 119.1 | 123.4 | -5.5 | 136.1 | 138.1 | -11.3 | 134.0 | 137.3 | -6.3 | 138.0 | 139.4 | -1.9 |
| Southeast Asia | 17.3 | 13.4 | 4.0 | 22.9 | 19.8 | 3.3 | 21.3 | 16.7 | 4.8 | 21.7 | 16.7 | 5.5 | 20.1 | 17.0 | 3.2 |
| East Asia | 23.7 | 27.9 | -4.3 | 30.4 | 38.0 | -8.2 | 34.9 | 44.7 | -9.4 | 36.4 | 47.6 | -12.1 | 35.8 | 49.0 | -13.8 |
| Rest of World | 6.5 | 7.4 | -0.9 | 6.9 | 9.7 | -2.2 | 13.6 | 15.9 | -2.3 | 13.4 | 15.7 | -2.3 | 13.2 | 16.4 | -3.3 |
| Total Above | 847.2 | 846.7 | 0.5 | 1,114.7 | 1,123.7 | -9.0 | 1,220.5 | 1,210.4 | -9.9 | 1,333.3 | 1,266.3 | -66.9 | 1,305.5 | 1,296.6 | -8.9 |
| World Total 1/ | 847.9 | 845.6 | 2.3 | 1,119.8 | 1,131.5 | -11.7 | 1,226.4 | 1,224.1 | -2.3 | 1,340.6 | 1,285.9 | -54.5 | 1,308.1 | 1,310.9 | -2.8 |

1/ World Totals taken from the December issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary.

3/ Forecast.

[illegible]

2/ World totals taken from the December issue of the Foreign Agricultural Circular on Grains.

| | $\frac{5}{4}$ / | FELMIND | Forecast. |
|---------|-----------------|---------|-----------|
| 1970-71 | 68.0 | 68.0 | 68.0 |
| 1971-72 | 68.0 | 68.0 | 68.0 |
| 1972-73 | 68.0 | 68.0 | 68.0 |
| 1973-74 | 68.0 | 68.0 | 68.0 |
| 1974-75 | 68.0 | 68.0 | 68.0 |
| 1975-76 | 68.0 | 68.0 | 68.0 |
| 1976-77 | 68.0 | 68.0 | 68.0 |
| 1977-78 | 68.0 | 68.0 | 68.0 |
| 1978-79 | 68.0 | 68.0 | 68.0 |
| 1979-80 | 68.0 | 68.0 | 68.0 |
| 1980-81 | 68.0 | 68.0 | 68.0 |
| 1981-82 | 68.0 | 68.0 | 68.0 |
| 1982-83 | 68.0 | 68.0 | 68.0 |
| 1983-84 | 68.0 | 68.0 | 68.0 |
| 1984-85 | 68.0 | 68.0 | 68.0 |
| 1985-86 | 68.0 | 68.0 | 68.0 |
| 1986-87 | 68.0 | 68.0 | 68.0 |
| 1987-88 | 68.0 | 68.0 | 68.0 |
| 1988-89 | 68.0 | 68.0 | 68.0 |
| 1989-90 | 68.0 | 68.0 | 68.0 |
| 1990-91 | 68.0 | 68.0 | 68.0 |
| 1991-92 | 68.0 | 68.0 | 68.0 |
| 1992-93 | 68.0 | 68.0 | 68.0 |
| 1993-94 | 68.0 | 68.0 | 68.0 |
| 1994-95 | 68.0 | 68.0 | 68.0 |
| 1995-96 | 68.0 | 68.0 | 68.0 |
| 1996-97 | 68.0 | 68.0 | 68.0 |
| 1997-98 | 68.0 | 68.0 | 68.0 |
| 1998-99 | 68.0 | 68.0 | 68.0 |
| 1999-00 | 68.0 | 68.0 | 68.0 |
| 2000-01 | 68.0 | 68.0 | 68.0 |
| 2001-02 | 68.0 | 68.0 | 68.0 |
| 2002-03 | 68.0 | 68.0 | 68.0 |
| 2003-04 | 68.0 | 68.0 | 68.0 |
| 2004-05 | 68.0 | 68.0 | 68.0 |
| 2005-06 | 68.0 | 68.0 | 68.0 |
| 2006-07 | 68.0 | 68.0 | 68.0 |
| 2007-08 | 68.0 | 68.0 | 68.0 |
| 2008-09 | 68.0 | 68.0 | 68.0 |
| 2009-10 | 68.0 | 68.0 | 68.0 |
| 2010-11 | 68.0 | 68.0 | 68.0 |
| 2011-12 | 68.0 | 68.0 | 68.0 |
| 2012-13 | 68.0 | 68.0 | 68.0 |
| 2013-14 | 68.0 | 68.0 | 68.0 |
| 2014-15 | 68.0 | 68.0 | 68.0 |
| 2015-16 | 68.0 | 68.0 | 68.0 |
| 2016-17 | 68.0 | 68.0 | 68.0 |
| 2017-18 | 68.0 | 68.0 | 68.0 |
| 2018-19 | 68.0 | 68.0 | 68.0 |
| 2019-20 | 68.0 | 68.0 | 68.0 |
| 2020-21 | 68.0 | 68.0 | 68.0 |
| 2021-22 | 68.0 | 68.0 | 68.0 |
| 2022-23 | 68.0 | 68.0 | 68.0 |
| 2023-24 | 68.0 | 68.0 | 68.0 |
| 2024-25 | 68.0 | 68.0 | 68.0 |
| 2025-26 | 68.0 | 68.0 | 68.0 |
| 2026-27 | 68.0 | 68.0 | 68.0 |
| 2027-28 | 68.0 | 68.0 | 68.0 |
| 2028-29 | 68.0 | 68.0 | 68.0 |
| 2029-30 | 68.0 | 68.0 | 68.0 |
| 2030-31 | 68.0 | 68.0 | 68.0 |
| 2031-32 | 68.0 | 68.0 | 68.0 |
| 2032-33 | 68.0 | 68.0 | 68.0 |
| 2033-34 | 68.0 | 68.0 | 68.0 |
| 2034-35 | 68.0 | 68.0 | 68.0 |
| 2035-36 | 68.0 | 68.0 | 68.0 |
| 2036-37 | 68.0 | 68.0 | 68.0 |
| 2037-38 | 68.0 | 68.0 | 68.0 |
| 2038-39 | 68.0 | 68.0 | 68.0 |
| 2039-40 | 68.0 | 68.0 | 68.0 |
| 2040-41 | 68.0 | 68.0 | 68.0 |
| 2041-42 | 68.0 | 68.0 | 68.0 |
| 2042-43 | 68.0 | 68.0 | 68.0 |
| 2043-44 | 68.0 | 68.0 | 68.0 |
| 2044-45 | 68.0 | 68.0 | 68.0 |
| 2045-46 | 68.0 | 68.0 | 68.0 |
| 2046-47 | 68.0 | 68.0 | 68.0 |
| 2047-48 | 68.0 | 68.0 | 68.0 |
| 2048-49 | 68.0 | 68.0 | 68.0 |
| 2049-50 | 68.0 | 68.0 | 68.0 |
| 2050-51 | 68.0 | 68.0 | |

4/ Forecast.

Table 14-World wheat production, consumption and net exports

| | 1960/61-62/63 | | | 1969/70-71/72 | | | 1975/76 | | | 1976/77/2/ | | | 1977/78 3/ | | |
|-----------------------------|-----------------------|-------------|-------------|---------------|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|
| | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports |
| | -Million metric tons- | | | | | | | | | | | | | | |
| Developed Countries | 94.2 | 74.3 | 21.3 | 112.0 | 87.8 | 28.4 | 138.1 | 83.7 | 48.9 | 147.4 | 86.3 | 44.2 | 137.5 | 89.3 | 48.7 |
| United States | 33.4 | 16.3 | 18.1 | 40.0 | 21.9 | 17.4 | 59.1 | 20.1 | 31.5 | 58.3 | 20.4 | 25.4 | 55.1 | 23.3 | 29.6 |
| Canada | 12.4 | 4.0 | 9.5 | 13.9 | 4.7 | 11.7 | 17.1 | 4.6 | 12.3 | 23.6 | 5.1 | 13.5 | 19.7 | 5.0 | 16.0 |
| EC-9 | 29.8 | 36.0 | -7.1 | 36.9 | 40.9 | -3.5 | 38.1 | 38.0 | 2.3 | 39.5 | 39.6 | .8 | 40.8 | 39.9 | .3 |
| Other Western Europe | 8.5 | 10.5 | -2.1 | 9.9 | 10.7 | -0.7 | 10.4 | 10.6 | .2 | 11.3 | 10.9 | .3 | 9.6 | 10.6 | -0.7 |
| South Africa | .8 | .9 | -0.1 | 1.5 | 1.3 | -0.2 | 1.8 | 1.7 | .1 | 2.3 | 1.8 | .2 | 1.7 | 1.8 | --- |
| Japan | 1.7 | 4.3 | -2.7 | .6 | 5.3 | -4.7 | 5.3 | 5.8 | -5.9 | .2 | 5.7 | -5.5 | .2 | 5.8 | -5.6 |
| Oceania | 7.8 | 2.4 | 5.7 | 9.4 | 3.0 | 8.3 | 12.4 | 2.9 | 8.4 | 12.2 | 2.9 | 9.5 | 10.4 | 2.8 | 9.0 |
| Centrally Planned Countries | 103.2 | 107.5 | -4.3 | 148.8 | 160.7 | -3.7 | 134.7 | 163.7 | -15.4 | 174.4 | 172.8 | -11.3 | 164.5 | 187.0 | -19.5 |
| Eastern Europe | 16.9 | 22.7 | -5.5 | 26.2 | 31.0 | -4.6 | 28.5 | 33.6 | -3.6 | 34.5 | 38.3 | -4.7 | 34.5 | 38.5 | -4.0 |
| USSR | 67.2 | 61.8 | 5.0 | 92.8 | 96.0 | 4.8 | 66.2 | 87.8 | -9.6 | 96.9 | 88.4 | -3.5 | 90.0 | 99.0 | -6.0 |
| P.R. China | 19.2 | 23.0 | -3.8 | 29.7 | 33.7 | -3.9 | 40.0 | 42.2 | -2.2 | 43.0 | 46.1 | -3.1 | 40.0 | 49.5 | -9.5 |
| Developing Countries | 43.5 | 56.8 | -14.7 | 63.5 | 83.1 | -22.2 | 76.1 | 103.6 | -32.6 | 90.9 | 108.0 | -25.4 | 81.5 | 110.1 | -27.8 |
| Middle America | 1.4 | 1.9 | -0.6 | 2.1 | 2.9 | -0.8 | 2.9 | 3.9 | -0.9 | 3.4 | 4.1 | -0.9 | 2.4 | 4.2 | -1.8 |
| Venezuela | --- | .3 | --- | --- | .7 | --- | --- | .7 | --- | --- | .7 | --- | --- | .8 | --- |
| Brazil | .3 | 2.4 | -2.1 | 1.6 | 3.6 | -1.8 | 1.6 | 5.4 | -3.8 | 3.0 | 5.9 | -3.1 | 3.0 | 5.8 | -2.8 |
| Argentina | 5.8 | 3.3 | 1.9 | 5.9 | 4.4 | 1.6 | 8.6 | 5.4 | 3.2 | 11.0 | 4.7 | 6.0 | -6.0 | 4.4 | 2.8 |
| Other South America | 1.9 | 3.0 | -1.1 | 1.9 | 3.8 | -1.8 | 1.6 | 4.2 | -2.8 | 2.1 | 4.3 | -2.2 | 1.6 | 4.5 | -2.8 |
| North Africa/Middle East | 15.7 | 20.3 | -4.9 | 20.4 | 28.1 | -8.0 | 25.2 | 34.6 | -11.3 | 29.4 | 37.1 | -10.5 | 25.8 | 37.4 | -12.5 |
| Central Africa | .7 | 1.1 | --- | .9 | 1.9 | -1.2 | .5 | 1.9 | -1.4 | .5 | 2.2 | -1.7 | .5 | 2.2 | -1.7 |
| East Africa | .1 | .3 | --- | .3 | .6 | --- | .4 | .7 | --- | .3 | .7 | --- | .3 | .8 | --- |
| South Asia | 17.5 | 22.1 | -4.2 | 30.1 | 33.7 | -4.8 | 35.2 | 42.5 | -10.5 | 41.1 | 43.1 | -6.6 | 41.3 | 43.9 | -1.8 |
| Southeast Asia | .1 | .2 | --- | .1 | .4 | --- | .1 | .2 | --- | .1 | .2 | --- | .1 | .3 | --- |
| East Asia | .2 | 2.0 | -1.8 | .2 | 4.2 | -4.1 | .1 | 4.2 | -6.0 | .1 | 4.9 | -5.0 | .1 | 5.2 | -5.1 |
| Rest of World | .2 | .8 | --- | .3 | 2.2 | -1.9 | .4 | 2.3 | -1.9 | .4 | 2.3 | -1.9 | .4 | 3.0 | -2.1 |
| Total above | 241.2 | 239.5 | --- | 324.6 | 333.8 | --- | 349.2 | 353.3 | --- | 413.1 | 369.4 | --- | 383.4 | 389.4 | --- |
| World total | 241.2 | 239.5 | --- | 324.6 | 335.8 | --- | 348.9 | 351.6 | --- | 413.4 | 375.7 | --- | 379.6 | 394.0 | --- |

1/ World totals taken from the December issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary.

3/ Forecast.

Table 15.--World coarse grain production, consumption and net exports

| | 1960-61-62/63 | | | 1969/70-71/72 | | | 1975/76 | | | 1976/77 2/ | | | 1977/78 3/ | | |
|-----------------------------|-----------------------|-------------|-------------|---------------|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|
| | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports | Production | Consumption | Net exports |
| | -Million metric tons- | | | | | | | | | | | | | | |
| Developed Countries | 204.6 | 209.2 | -1.6 | 271.8 | 270.9 | 1.0 | 300.2 | 277.2 | 24.7 | 302.4 | 276.0 | 12.7 | 326.3 | 287.4 | 19.8 |
| United States | 133.0 | 122.5 | 13.6 | 165.8 | 145.8 | 20.2 | 184.4 | 133.0 | 49.3 | 192.7 | 129.9 | 50.0 | 201.9 | 138.0 | 48.5 |
| Canada | 10.2 | 10.2 | .3 | 18.5 | 15.4 | 3.3 | 20.0 | 16.9 | 4.3 | 21.3 | 16.6 | 3.7 | 22.2 | 16.8 | 3.7 |
| EC-9 | 38.5 | 52.6 | -14.2 | 54.4 | 67.6 | -13.0 | 59.2 | 75.4 | -13.5 | 51.1 | 74.5 | -22.8 | 64.9 | 75.4 | -12.2 |
| Other Western Europe | 11.2 | 13.3 | -2.2 | 18.2 | 22.1 | -4.1 | 22.3 | 28.9 | -7.0 | 21.2 | 30.1 | -8.3 | 22.0 | 31.1 | -9.0 |
| South Africa | 6.2 | 3.7 | 2.4 | 8.7 | 5.7 | 2.6 | 7.7 | 6.9 | 1.5 | 10.1 | 7.1 | 2.9 | 10.0 | 7.0 | 2.6 |
| Japan | 2.3 | 4.8 | -2.4 | 7.7 | 11.1 | -10.3 | .3 | 13.9 | -13.5 | .2 | 15.4 | -15.9 | .3 | 16.6 | -16.6 |
| Oceania | 2.9 | 2.0 | .9 | 5.4 | 3.2 | 2.3 | 6.2 | 2.2 | 3.7 | 5.7 | 2.5 | 3.1 | 5.0 | 2.4 | 2.8 |
| Centrally Planned Countries | 138.5 | 137.4 | .7 | 177.9 | 181.7 | -3.3 | 187.2 | 206.7 | -19.2 | 236.4 | 241.6 | -10.5 | 212.0 | 233.4 | -16.1 |
| Eastern Europe | 39.6 | 40.6 | -1.0 | 47.4 | 50.3 | -2.7 | 59.4 | 62.4 | -3.7 | 59.4 | 65.3 | -7.0 | 60.0 | 65.4 | -6.0 |
| USSR | 59.0 | 56.2 | 2.5 | 73.8 | 74.7 | -2.5 | 65.8 | 82.4 | -15.6 | 115.0 | 114.5 | -3.5 | 90.0 | 106.0 | -10.0 |
| P.R. China | 39.9 | 40.6 | -7 | 56.7 | 56.8 | -1 | 62.0 | 61.9 | .1 | 62.0 | 61.9 | .1 | 62.0 | 62.1 | -2 |
| Developing Countries | 99.4 | 96.1 | 2.8 | 129.1 | 124.1 | 5.3 | 142.8 | 139.7 | .8 | 147.7 | 145.5 | 1.8 | 145.5 | 147.9 | -2.1 |
| Middle America | 7.8 | 8.0 | -3 | 13.0 | 13.3 | -1 | 15.9 | 17.6 | -2.4 | 15.6 | 18.5 | -2.7 | 16.6 | 19.0 | -2.8 |
| Venezuela | 5 | 5 | -1 | 7 | 9 | -3 | 7 | 1.3 | -6 | 8 | 1.8 | -1.0 | 1.1 | 2.0 | -9 |
| Brazil | 9.8 | 9.6 | .2 | 14.6 | 14.4 | .9 | 18.5 | 16.8 | 1.5 | 19.4 | 17.9 | 1.3 | 18.6 | 18.1 | .5 |
| Argentina | 7.9 | 4.7 | 3.3 | 13.3 | 6.7 | 6.3 | 12.4 | 6.6 | 7.1 | 17.0 | 7.3 | 9.8 | 16.1 | 7.4 | 8.9 |
| Other South America | 2.8 | 2.9 | -1 | 3.5 | 3.9 | -4 | 4.1 | 4.5 | -4 | 3.8 | 4.4 | -6 | 4.5 | 4.6 | -2 |
| North Africa/Middle East | 13.9 | 14.5 | -6 | 16.4 | 17.8 | -1.2 | 18.6 | 20.5 | -2.3 | 21.3 | 22.7 | -2.5 | 19.1 | 22.7 | -2.9 |
| Central Africa | 16.3 | 16.3 | --- | 18.8 | 18.9 | --- | 17.9 | 18.1 | -3 | 17.9 | 18.3 | -4 | 18.3 | 18.7 | -4 |
| East Africa | 7.1 | 6.9 | .2 | 9.1 | 9.1 | --- | 10.1 | 9.9 | .3 | 9.9 | 9.4 | .3 | 9.7 | 9.6 | .2 |
| South Asia | 27.3 | 27.0 | -.1 | 30.9 | 31.0 | -.1 | 33.4 | 32.6 | .7 | 31.2 | 31.9 | --- | 32.8 | 32.1 | --- |
| Southeast Asia | .9 | .2 | .8 | 2.4 | .6 | 1.8 | 3.6 | .9 | 2.5 | 3.3 | 1.1 | 2.2 | 2.2 | 1.2 | 1.1 |
| East Asia | 5.2 | 5.6 | -5 | 6.4 | 7.7 | -1.6 | 7.6 | 10.9 | -3.9 | 7.6 | 12.2 | -4.6 | 7.3 | 12.5 | -5.4 |
| Rest of World | 2.1 | 2.2 | -.1 | 1.8 | 2.0 | -.2 | 2.7 | 2.8 | -.1 | 2.7 | 2.8 | -.1 | 2.5 | 2.8 | -.3 |
| Total above | 444.6 | 444.8 | --- | 580.6 | 579.0 | --- | 632.9 | 626.3 | --- | 689.1 | 666.1 | --- | 686.5 | 671.5 | --- |
| World total 1/ | 444.6 | 444.8 | --- | 587.3 | 588.2 | --- | 634.4 | 634.6 | --- | 692.3 | 672.5 | --- | 684.1 | 677.0 | --- |

1/ World totals taken from the December issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary.

3/ Forecast.

Table 16.--World milled rice production, consumption, and net exports

| | 1960/61-62/73 | | | | 1969/70-71/72 | | | | 1975/76 | | | | 1976/77 2/ | | | | 1977/78 3/ | | | |
|-----------------------------|---------------------------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|--|--|
| | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | Pro- duction | Con- sumption | Net Exports | | |
| | ----- Million metric tons ----- | | | | | | | | | | | | | | | | | | | |
| Developed Countries | 14.53 | 14.22 | .54 | 15.47 | 14.60 | 1.72 | 17.50 | 13.60 | 1.63 | 15.95 | 13.89 | 1.79 | 16.39 | 13.67 | 1.95 | 16.39 | 13.67 | 1.95 | | |
| United States | 1.88 | .95 | .98 | 2.88 | 1.66 | 1.27 | 4.08 | 1.39 | 1.74 | 3.82 | 1.59 | 2.11 | 3.23 | 1.48 | 2.22 | 3.23 | 1.48 | 2.22 | | |
| Canada | --- | .04 | -.04 | --- | --- | -.05 | --- | --- | -.06 | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |
| EC-9 | .55 | .74 | -.21 | .66 | .74 | -.07 | .73 | .85 | -.11 | .66 | .99 | -.34 | .59 | .94 | -.34 | .59 | .94 | -.34 | | |
| Other Western Europe | .40 | .43 | -.04 | .43 | .47 | -.04 | .41 | .46 | -.13 | .38 | .50 | -.10 | .42 | .51 | -.09 | .42 | .51 | -.09 | | |
| South Africa | --- | .04 | -.04 | --- | --- | -.07 | --- | --- | -.09 | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |
| Japan | 11.61 | 11.97 | -.16 | 11.31 | 11.54 | -.54 | 11.98 | 10.70 | -.02 | 10.71 | 10.60 | -.02 | 11.79 | 10.53 | -.02 | 11.79 | 10.53 | -.02 | | |
| Oceania | .09 | .04 | .05 | .19 | .07 | .14 | .30 | .06 | .30 | .38 | .06 | .30 | .37 | .06 | .34 | .37 | .06 | .34 | | |
| Centrally Planned Countries | 52.07 | 51.79 | .29 | 74.57 | 74.14 | .44 | 87.48 | 87.27 | .23 | 86.77 | 86.89 | -.15 | 88.21 | 88.27 | -.06 | 88.21 | 88.27 | -.06 | | |
| Eastern Europe | .08 | .25 | -.16 | .14 | .37 | -.22 | .15 | .38 | -.21 | .13 | .42 | -.32 | .15 | .38 | -.23 | .15 | .38 | -.23 | | |
| USSR | .15 | .33 | -.18 | .83 | 1.10 | -.28 | 1.31 | 1.63 | -.32 | 1.30 | 1.63 | -.33 | 1.37 | 1.69 | -.33 | 1.37 | 1.69 | -.33 | | |
| People's Republic of China | 51.84 | 51.21 | .63 | 73.60 | 72.67 | .94 | 86.02 | 85.26 | .76 | 85.34 | 84.84 | .50 | 86.70 | 86.20 | .50 | 86.70 | 86.20 | .50 | | |
| Developing Countries | 91.27 | 90.88 | .17 | 114.66 | 115.94 | -1.51 | 127.32 | 123.95 | -.42 | 121.29 | 124.37 | -.46 | 126.24 | 128.31 | -.49 | 126.24 | 128.31 | -.49 | | |
| Middle America | .50 | .54 | -.04 | .71 | .81 | -.09 | 1.11 | 1.06 | -.14 | .87 | 1.12 | -.11 | 1.00 | 1.16 | -.15 | 1.00 | 1.16 | -.15 | | |
| Venezuela | .06 | .06 | -.01 | .13 | .11 | .02 | .24 | .20 | .03 | .18 | .25 | -.10 | .31 | .31 | -.01 | .31 | .31 | -.01 | | |
| Brazil | 3.78 | 3.45 | .07 | 4.12 | 4.00 | .09 | 5.78 | 4.97 | .81 | 4.90 | 5.19 | .32 | 5.10 | 5.35 | .03 | 5.10 | 5.35 | .03 | | |
| Argentina | .11 | .09 | .02 | .21 | .15 | .06 | .20 | .14 | .06 | .21 | .14 | .07 | .21 | .13 | .08 | .21 | .13 | .08 | | |
| Other South America | .97 | .86 | .11 | 1.41 | 1.31 | .09 | 2.15 | 1.64 | .51 | 2.11 | 1.80 | .32 | 1.98 | 1.89 | .09 | 1.98 | 1.89 | .09 | | |
| North Africa/Middle East | 1.74 | 1.76 | -.02 | 2.81 | 2.70 | .10 | 2.65 | 3.42 | -.77 | 2.65 | 3.74 | -.14 | 2.65 | 3.87 | -.17 | 2.65 | 3.87 | -.17 | | |
| Central Africa | 2.00 | 2.36 | -.36 | 2.71 | 3.22 | -.52 | 3.11 | 3.85 | -.72 | 3.01 | 4.03 | -.10 | 3.07 | 4.13 | -.10 | 3.07 | 4.13 | -.10 | | |
| East Africa | .15 | .15 | -.01 | .19 | .20 | -.01 | .31 | .42 | -.11 | .32 | .38 | -.07 | .32 | .38 | -.07 | .32 | .38 | -.07 | | |
| South Asia | 47.31 | 48.27 | -.96 | 58.05 | 58.63 | -.65 | 66.89 | 62.95 | -.18 | 59.96 | 61.74 | -.32 | 64.50 | 64.00 | -.04 | 64.50 | 64.00 | -.04 | | |
| Southeast Asia | 16.40 | 13.01 | 3.39 | 20.52 | 18.79 | 1.91 | 17.73 | 15.66 | 2.34 | 18.39 | 13.49 | 3.34 | 17.81 | 15.71 | 2.10 | 17.81 | 15.71 | 2.10 | | |
| East Asia | 18.25 | 20.33 | -2.02 | 23.80 | 26.02 | -2.52 | 27.15 | 29.64 | -1.52 | 28.69 | 30.50 | -2.39 | 29.31 | 31.37 | -2.42 | 29.31 | 31.37 | -2.42 | | |
| Rest of World | 4.25 | 4.43 | .02 | 4.76 | 4.94 | -.18 | 10.60 | 10.84 | -.24 | 10.34 | 10.65 | -.31 | 10.34 | 10.69 | -.35 | 10.34 | 10.69 | -.35 | | |
| Total Above | 162.12 | 161.32 | --- | 209.46 | 209.62 | --- | 242.90 | 235.66 | --- | 234.35 | 235.82 | --- | 241.22 | 240.95 | --- | 241.22 | 240.95 | --- | | |
| World Total 1/ | 162.10 | 161.30 | --- | 209.61 | 209.21 | --- | 243.00 | 237.90 | --- | 234.90 | 237.70 | --- | 244.30 | 240.80 | --- | 244.30 | 240.80 | --- | | |

1/ World totals taken from the December issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary.

3/ Forecast.

Table 17.--Feed use of grain

| | : 1960/61-62/63 : | : 1969/70-71/72 : | : 1975/76 : | : 1976/77 1/ : | : 1977/78 2/ : |
|-----------------------------|-------------------|-------------------|-------------------------------|----------------|----------------|
| | - - - - - | - - - - - | - - - - - Million metric tons | - - - - - | - - - - - |
| Developed Countries | : | : | : | : | : |
| United States | 191.7 | 256.3 | 245.0 | 245.5 | 257.8 |
| Canada | 110.8 | 136.5 | 118.1 | 115.1 | 125.3 |
| EC-9 | 10.8 | 17.2 | 16.3 | 16.5 | 16.6 |
| Other Western Europe | 51.3 | 67.3 | 67.2 | 67.4 | 67.9 |
| South Africa | 12.3 | 20.8 | 26.1 | 27.4 | 28.3 |
| Japan | 1.1 | 2.2 | 3.3 | 3.4 | 3.0 |
| Oceania | 3.5 | 9.3 | 12.0 | 13.3 | 14.3 |
| | 1.9 | 3.0 | 2.1 | 2.3 | 2.3 |
| Centrally Planned Countries | : | : | : | : | : |
| Eastern Europe | 77.5 | 143.8 | 163.8 | 183.5 | 190.0 |
| USSR | 28.8 | 46.5 | 62.0 | 68.0 | 67.0 |
| People's Republic of China | 40.7 | 84.3 | 86.8 | 101.5 | 108.0 |
| | 8.0 | 13.0 | 15.0 | 14.0 | 15.0 |
| Developing Countries | : | : | : | : | : |
| Mexico/Central America | 17.6 | 29.7 | 43.0 | 47.4 | 49.6 |
| South America | .8 | 3.0 | 5.1 | 5.4 | 5.5 |
| Argentina | 10.8 | 17.6 | 21.7 | 23.3 | 23.6 |
| North Africa/Middle East | 3.6 | 5.2 | 6.4 | 6.7 | 6.5 |
| Other Developing Africa | 4.8 | 6.1 | 9.6 | 11.3 | 11.9 |
| South Asia | .1 | .1 | .1 | .1 | .2 |
| India | .4 | .7 | 1.8 | 1.7 | 2.1 |
| Southeast Asia | .3 | .6 | 1.5 | 1.4 | 1.8 |
| Thailand | --- | .1 | .4 | .5 | .7 |
| East Asia | --- | .1 | .4 | .5 | .7 |
| | .7 | 2.1 | 4.2 | 4.9 | 5.4 |
| World Total | 282.7 | 425.4 | 451.8 | 476.4 | 497.4 |

1/ Preliminary.

2/ Forecast.

Table 18.--World, production, trade, disappearance, oil and fishmeals 1974, 1975, forecast 1976, 1977, 1978--(44 percent soybean meal equivalent) 1/ 2/ 3/

| Region | 1974 | | | 1975 4/ | | | 1976 5/ | | | 1977 5/ | | | 1978 5/ | | |
|----------------------------|---------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|
| | Pro- duction 6/ | Net exports 7/ | Disap- pearance 7/ | Pro- duction 6/ | Net exports 7/ | Disap- pearance 7/ | Pro- duction 6/ | Net exports 7/ | Disap- pearance 7/ | Pro- duction 6/ | Net exports 7/ | Disap- pearance 7/ | Pro- duction 6/ | Net exports 7/ | Disap- pearance 7/ |
| | Million metric tons | | | | | | | | | | | | | | |
| Developed | | | | | | | | | | | | | | | |
| U.S. 8/ | 34.1 | 16.4 | 14.3 | 27.1 | 14.1 | 12.9 | 33.5 | 17.4 | 15.4 | 28.0 | 17.1 | 14.2 | 37.3 | 18.3 | 16.0 |
| Canada | 1.1 | 1.0 | 1.0 | 1.0 | -1.1 | .9 | 1.2 | -1.1 | 1.1 | .7 | -2 | .9 | 1.3 | -1.3 | 1.3 |
| EC-9 | -13.1 | 14.3 | 14.3 | 1.2 | -12.2 | 13.4 | 1.1 | -14.6 | 15.7 | .9 | -14.4 | 15.3 | 1.1 | -15.1 | 16.2 |
| Other Western Europe | 1.1 | -2.3 | 3.4 | 1.2 | -2.6 | 3.8 | 1.1 | -2.5 | 3.6 | 1.1 | -2.7 | 3.8 | 1.1 | -3.0 | 4.1 |
| Japan | 1.2 | -3.4 | 4.6 | 1.2 | -3.1 | 4.3 | 1.2 | -3.3 | 4.5 | 1.2 | -3.5 | 4.7 | 1.2 | -3.7 | 4.9 |
| Australia/New Zealand | .1 | -1.1 | .2 | .2 | --- | .2 | .3 | --- | .3 | .2 | -1.1 | .3 | .2 | -1.1 | .3 |
| South Africa | .7 | .1 | .6 | .7 | .2 | .5 | .6 | --- | .6 | .7 | --- | .7 | .7 | --- | .7 |
| Total | 39.5 | -2.3 | 38.4 | 32.7 | -3.7 | 36.0 | 39.0 | -3.1 | 41.2 | 32.8 | -3.8 | 39.9 | 42.9 | -3.7 | 43.5 |
| Central Planned | | | | | | | | | | | | | | | |
| Eastern Europe | 1.2 | -4.4 | 5.6 | 1.3 | -4.3 | 5.6 | 1.3 | -4.6 | 5.9 | 1.1 | -5.0 | 6.1 | 1.2 | -5.2 | 6.4 |
| U.S.S.R. | 4.6 | -1.1 | 4.7 | 4.8 | -1.4 | 5.2 | 4.5 | -1.5 | 6.0 | 4.6 | -1.7 | 6.3 | 5.1 | -1.7 | 6.8 |
| People's Republic of China | 4.4 | -6 | 5.0 | 4.9 | -3 | 5.2 | 5.9 | .1 | 5.8 | 5.7 | -2 | 5.9 | 5.9 | -1.1 | 6.0 |
| Total | 10.2 | -5.1 | 15.3 | 11.1 | -5.0 | 16.0 | 11.7 | -6.1 | 17.7 | 11.4 | -6.9 | 18.3 | 12.2 | -7.0 | 19.2 |
| Developing | | | | | | | | | | | | | | | |
| Mexico/Central America | .9 | -4.4 | 1.3 | 1.0 | --- | 1.0 | 1.0 | -4.4 | 1.4 | .7 | -6 | 1.3 | .9 | -7 | 1.6 |
| Brazil | 6.4 | 4.2 | 2.2 | 7.8 | 5.9 | 1.9 | 8.8 | 7.4 | 1.4 | 9.8 | 7.0 | 2.8 | 10.4 | 8.1 | 2.3 |
| Argentina | 1.2 | .5 | 1.7 | 1.3 | .6 | .6 | 1.3 | .9 | .4 | 2.0 | 1.8 | .2 | 2.4 | .2 | .2 |
| Other South America | 2.0 | .9 | 1.1 | 1.8 | 1.3 | .5 | 1.8 | 1.1 | .7 | 1.2 | .7 | .5 | 1.3 | .7 | .6 |
| North Africa | .8 | .1 | .7 | .8 | .3 | .5 | .7 | .1 | .6 | .8 | .2 | .6 | .8 | .2 | .6 |
| Central Africa | 1.6 | .7 | .9 | 1.8 | .9 | .9 | 1.8 | 1.0 | .8 | 1.7 | .8 | .9 | 1.7 | .7 | 1.0 |
| West Asia | .8 | -1.1 | .9 | .8 | -1.1 | .9 | .8 | -1.3 | 1.1 | .8 | -3.3 | 1.1 | .7 | -3 | 1.0 |
| South Asia | 4.1 | 1.0 | 3.1 | 3.9 | .9 | 3.0 | 4.4 | 1.7 | 2.7 | 3.8 | 1.1 | 2.7 | 4.2 | 1.5 | 2.7 |
| Southeast Asia | .3 | .1 | .2 | .3 | .1 | .2 | .3 | .1 | .2 | .3 | .1 | .2 | .3 | .1 | .2 |
| East Asia | 1.0 | .1 | .9 | 1.0 | --- | 1.0 | 1.1 | --- | 1.1 | 1.0 | --- | 1.0 | 1.0 | --- | 1.0 |
| Total | 19.2 | 7.1 | 12.0 | 20.6 | 9.9 | 10.5 | 22.0 | 11.6 | 10.4 | 22.1 | 10.8 | 11.3 | 23.8 | 12.5 | 11.2 |
| World | 68.9 | --- | 65.7 | 64.4 | --- | 62.5 | 72.7 | --- | 69.3 | 66.3 | --- | 69.5 | 78.9 | --- | 73.9 |

1/ Includes: soybean, peanut, cottonseed, rapeseed, sunflowerseed, flaxseed, copra, palm kernel, sesameseed, and fishmeal.

2/ Total may not add due to rounding.

3/ Production and export data FAS, O&P, November 1977.

4/ Preliminary.

5/ Forecast.

6/ Meal production from domestically produced seed.

7/ Includes 44% soybean meal equivalent of imported seed.

8/ U.S. disappearance estimates include the effect of stock variations and are based largely on crop year estimates.

Table 19--Monthly prices of selected oilseeds, meals, and oils, 1976, 1977 1/ 2/

| | Price point | January | February | March | April | May | June | July | August | September | October | November | December | Average |
|--------------|--------------------|---------|----------|-------|-------|-----|------|-------|--------|-----------|---------|----------|----------|---------|
| Soybeans | 1976 : Rotterdam : | 189 | 191 | 190 | 190 | 210 | 248 | 264 | 248 | 261 | 263 | 257 | 269 | 231 |
| | 1977 : " : | 287 | 293 | 328 | 384 | 371 | 326 | 232 | 230 | 205 | 209 | 5/ 240 | | |
| Soymeal | 1976 : Rotterdam : | 160 | 164 | 162 | 163 | 189 | 224 | 231 | 212 | 218 | 212 | 213 | 231 | 198 |
| | 1977 : " : | 251 | 248 | 272 | 316 | 298 | 233 | 193 | 174 | 174 | 179 | 5/ 204 | | |
| Soyoil | 1976 : Decatur : | 360 | 359 | 359 | 358 | 342 | 384 | 456 | 449 | 498 | 479 | 488 | 461 | 414 |
| | 1977 : " : | 455 | 493 | 584 | 653 | 687 | 630 | 522 | 464 | 421 | 410 | 483 | | |
| Copra | 1976 : Europe : | 202 | 199 | 207 | 211 | 213 | 241 | 308 | 305 | 337 | 355 | 357 | 384 | 275 |
| | 1977 : " : | 377 | 396 | 510 | 526 | 502 | 433 | 365 | 318 | 325 | 333 | 5/ 364 | | |
| Coconut meal | 1976 : Hamburg : | 142 | 139 | 135 | 135 | 138 | 142 | 159 | 162 | 175 | 174 | 175 | 188 | 155 |
| | 1977 : " : | 198 | 187 | 176 | 198 | 185 | 182 | 174 | 171 | 162 | 164 | 5/ 175 | | |
| Coconut oil | 1976 : Europe : | 332 | 336 | 349 | 347 | 345 | 380 | 455 | 451 | 484 | 3/ 495 | 3/ 494 | 553 | 418 |
| | 1977 : " : | 546 | 576 | 735 | 793 | 718 | 620 | 513 | 451 | 463 | 497 | 5/ 511 | | |
| Peanuts | 1976 : U.K. : | 4/ NQ | 399 | 411 | 410 | 400 | 395 | 420 | 4/ NQ | 427 | 460 | 4/ NQ | 502 | 424 |
| | 1977 : " : | 529 | 547 | 555 | 582 | 606 | 635 | 4/ NQ | 540 | 480 | 468 | 6/ 480 | | |
| Peanut oil | 1976 : U.K. : | 720 | 734 | 871 | 701 | 643 | 671 | 4/ NQ | 678 | 707 | 753 | 753 | NQ 4/ | 857 |
| | 1977 : Rotterdam : | 849 | 856 | 871 | 881 | 897 | 848 | 804 | 807 | 773 | 794 | 5/ 892 | | |
| Rapeseed | 1976 : N. Eur. : | 209 | 207 | 216 | 218 | 244 | 277 | 289 | 270 | 252 | 256 | 255 | 267 | 246 |
| | 1977 : " : | 293 | 306 | 326 | 372 | 374 | 342 | 290 | 266 | 279 | 292 | 5/ 304 | | |
| Fishmeal | 1976 : Hamburg : | 302 | 304 | 302 | 303 | 331 | 371 | 406 | 397 | 444 | 453 | 449 | 458 | 376 |
| | 1977 : " : | 467 | 452 | 442 | 484 | 506 | 477 | 447 | 382 | 408 | 456 | 5/ 465 | | |
| Palm oil | 1976 : Europe : | 353 | 372 | 380 | 351 | 344 | 386 | 433 | 422 | 453 | 463 | 460 | 454 | 405 |
| | 1977 : " : | 462 | 507 | 598 | 647 | 659 | 619 | 529 | 493 | 460 | 450 | 5/ 460 | | |

1/ All prices c.i.f. North European ports except soybean oil which is f.o.b. Decatur.

2/ Source: Mostly Oilworld.

3/ Dutch ex-mill.

4/ No quote Oilworld.

5/ Two-week average.

6/ One week only, November 17.

Table 20.—World edible vegetable oil production, net trade and disappearance for 1974, 1975, forecast 1976, 1977, and projected 1978 (oil equivalent basis) 1/ 6/ 7/

| | 1974 | | | 1975 | | | 1976 5/ | | | 1977 5/ | | | 1978 5/ | | |
|----------------------------|---------------------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|-----------------------|
| | Pro- duction 2/ | Net exports 3/ | Disappear- ance 4/ | Pro- duction 2/ | Net exports 3/ | Disappear- ance 4/ | Pro- duction 2/ | Net exports 3/ | Disappear- ance 4/ | Pro- duction 2/ | Net exports 3/ | Disappear- ance 4/ | Pro- duction 2/ | Net exports 3/ | Disappear- ance 4/ |
| | ----- Million metric tons ----- | | | | | | | | | | | | | | |
| Developed | | | | | | | | | | | | | | | |
| United States | 8.3 | 3.3 | 4.6 | 6.7 | 2.1 | 4.4 | 8.2 | 2.6 | 5.6 | 7.0 | 2.8 | 5.0 | 9.4 | 3.3 | 5.9 |
| Canada | .5 | .1 | .4 | .5 | --- | .5 | .7 | .3 | .4 | .3 | --- | .3 | .6 | .2 | .4 |
| EC-9 | .9 | -3.2 | 4.2 | 1.0 | -3.2 | 4.5 | 1.0 | -3.6 | 4.6 | .9 | -3.8 | 4.7 | .9 | -3.8 | 4.7 |
| Other Western Europe | 1.0 | -1.5 | 1.5 | 1.2 | -1.7 | 1.9 | 1.0 | -1.4 | 1.4 | .9 | --- | 1.4 | .9 | -1.6 | 1.5 |
| Japan | --- | -1.0 | 1.1 | --- | -1.1 | 1.1 | --- | -1.9 | .9 | --- | -1.1 | 1.1 | --- | -1.2 | 1.2 |
| Australia/New Zealand | .1 | -1.1 | .1 | .1 | --- | .2 | --- | --- | .1 | --- | --- | .1 | --- | --- | .1 |
| South Africa | .2 | --- | .2 | .2 | --- | .2 | --- | --- | .1 | .1 | --- | .1 | .1 | --- | .2 |
| Total | 11.1 | -1.4 | 12.1 | 9.9 | -2.9 | 12.7 | 10.9 | -2.1 | 13.1 | 9.1 | -2.8 | 12.8 | 12.2 | -2.1 | 14.0 |
| Central Planned | | | | | | | | | | | | | | | |
| Eastern Europe | 1.1 | -1.1 | 1.2 | 1.0 | -1.2 | 1.2 | 1.1 | --- | 1.1 | 1.1 | --- | 1.1 | 1.2 | --- | 1.2 |
| U.S.S.R. | 3.6 | .5 | 3.1 | 3.5 | .3 | 3.3 | 2.7 | -1.2 | 2.9 | 2.8 | -1.1 | 2.9 | 3.4 | .2 | 3.2 |
| People's Republic of China | 1.6 | -1.1 | 1.7 | 1.8 | -1.1 | 1.9 | 2.4 | -1.1 | 2.5 | 2.4 | --- | 2.4 | 2.4 | -1.1 | 2.5 |
| Total | 6.3 | .2 | 6.0 | 6.4 | --- | 6.4 | 6.2 | -1.3 | 6.5 | 6.3 | -1.1 | 6.4 | 7.0 | -1.3 | 6.9 |
| Less Developed | | | | | | | | | | | | | | | |
| Mexico/Central America | .6 | -1.3 | 1.9 | .7 | -1.1 | .8 | .8 | -1.1 | .9 | .7 | -1.2 | .9 | .8 | -1.2 | 1.1 |
| Brazil | 1.8 | .5 | 1.3 | 2.1 | 1.0 | 1.1 | 2.3 | 1.1 | 1.2 | 2.5 | 1.2 | 1.3 | 2.8 | 1.4 | 1.5 |
| Argentina | .5 | .1 | .4 | .5 | --- | .5 | .6 | .2 | .4 | .6 | .2 | .4 | .7 | .3 | .4 |
| Other South America | .3 | -1.2 | .5 | .3 | -1.2 | .5 | .4 | --- | .5 | .4 | --- | .6 | .4 | --- | .6 |
| North Africa | .6 | --- | .9 | .7 | -1.4 | 1.1 | .9 | -1.1 | 1.0 | .9 | -1.1 | 1.0 | .8 | -1.2 | 1.0 |
| Central Africa | 2.4 | .8 | 1.6 | 2.4 | .8 | 1.6 | 2.6 | .6 | 2.0 | 2.7 | .4 | 2.3 | 2.7 | .4 | 2.4 |
| East Asia | 3.7 | 1.4 | 2.3 | 3.9 | 2.5 | 1.4 | 4.9 | 3.4 | 1.5 | 4.9 | 2.8 | 2.1 | 4.9 | 2.8 | 2.1 |
| South Asia | 2.6 | -1.3 | 2.9 | 2.5 | -1.2 | 2.7 | 3.0 | -1.2 | 3.2 | 2.6 | -1.7 | 3.3 | 3.0 | -1.6 | 3.8 |
| Southeast Asia | .2 | --- | .2 | .3 | --- | .3 | .2 | --- | .2 | .2 | --- | .2 | .2 | --- | .2 |
| West Asia | .6 | -1.4 | 1.0 | .6 | -1.5 | 1.1 | .6 | -1.6 | 1.2 | .6 | -1.6 | 1.2 | .6 | -1.8 | 1.4 |
| Total | 13.4 | 2.4 | 12.1 | 14.0 | 2.8 | 11.1 | 16.2 | 4.1 | 12.1 | 16.0 | 2.7 | 13.3 | 16.9 | 2.9 | 14.3 |
| Grand total | 30.8 | --- | 30.2 | 30.4 | --- | 28.6 | 33.3 | --- | 31.7 | 31.4 | --- | 32.5 | 36.0 | --- | 35.2 |
| Grand total less U.S. | | | | | | | | | | | | | | | |

1/ Includes soybean, peanut, cottonseed, sunflower, rapeseed, sesame, palm, olive, palm kernel, coconut, safflower, corn and babassu oils.

2/ Crushed from domestically produced seed.

3/ Includes oil equivalent of imported seed.

4/ Production minus net exports; except for U.S.A.

5/ Forecast.

6/ Totals may not add due to rounding.

7/ Production data FAS 10/13/77.

Table 21--World centrifugar sugar production, trade and consumption

| Country and region | Production | | | | Exports | | | | Imports | | | | Consumption | |
|----------------------|---------------------------------|---------|---------|---------|-------------------|---------|---------|---------|-------------------|---------|---------|---------|-------------------|---------|
| | 1969/70- 71/72 | 1975/76 | 1976/77 | 1977/78 | 1969/70- 71/72 | 1975/76 | 1976/77 | 1977/78 | 1969/70- 71/72 | 1975/76 | 1976/77 | 1977/78 | 1969/70- 71/72 | 1975/76 |
| | Thousand metric tons, raw value | | | | | | | | | | | | | |
| North America | 17,516 | 19,203 | 18,779 | 18,713 | 8,342 | 8,587 | | | 5,798 | 4,696 | | | 15,004 | 15,068 |
| Canada | 127 | 141 | 165 | 118 | 15 | 62 | | | 939 | 1,030 | | | 1,041 | 1,022 |
| United States 1/ | 5,587 | 5,303 | 5,037 | 4,400 | 0 | 80 | | | 4,853 | 3,664 | | | 10,507 | 9,800 |
| Cuba | 6,382 | 6,200 | 5,800 | 6,000 | 5,619 | 5,500 | | | 0 | 0 | | | 651 | 525 |
| Dominican Republic | 1,073 | 1,249 | 1,361 | 1,400 | 921 | 1,025 | | | 0 | 0 | | | 144 | 176 |
| Mexico | 2,466 | 2,698 | 2,697 | 2,880 | 545 | 432 | | | 0 | 0 | | | 2,016 | 2,650 |
| Other North America | 1,881 | 3,612 | 3,719 | 3,915 | 1,242 | 1,488 | | | 6 | 2 | | | 645 | 895 |
| South America | 9,133 | 11,385 | 12,751 | 13,983 | 2,601 | 3,022 | | | 214 | 203 | | | 6,838 | 9,043 |
| Argentina | 956 | 1,349 | 1,562 | 1,600 | 115 | 353 | | | 0 | 0 | | | 903 | 1,017 |
| Brazil | 5,119 | 6,200 | 7,500 | 8,600 | 1,373 | 1,560 | | | 0 | 0 | | | 3,728 | 5,100 |
| Other South America | 3,058 | 3,836 | 3,689 | 3,783 | 1,113 | 1,109 | | | 214 | 203 | | | 2,207 | 2,926 |
| Western Europe | 11,074 | 12,330 | 13,245 | 13,756 | 2,157 | 2,845 | | | 4,337 | 4,446 | | | 13,186 | 13,175 |
| EC-9 | 9,318 | 10,133 | 10,524 | 11,124 | 2,064 | 2,745 | | | 3,375 | 3,422 | | | 10,635 | 10,230 |
| Other Western Europe | 1,756 | 2,197 | 2,721 | 2,632 | 93 | 100 | | | 962 | 1,024 | | | 2,551 | 2,945 |
| Eastern Europe | 4,232 | 5,020 | 5,514 | 5,903 | 945 | 430 | | | 1,361 | 1,110 | | | 4,748 | 5,301 |
| USSR | 8,592 | 7,700 | 7,350 | 9,300 | 775 | 130 | | | 2,249 | 3,800 | | | 10,327 | 11,400 |
| Africa | 4,729 | 5,488 | 6,253 | 6,457 | 2,232 | 1,925 | | | 1,649 | 1,564 | | | 4,101 | 4,940 |
| South Africa Rep. | 1,637 | 1,801 | 2,042 | 2,100 | 799 | 743 | | | 10 | 0 | | | 853 | 1,052 |
| Asia | 12,781 | 17,674 | 19,676 | 18,844 | 2,723 | 3,339 | | | 5,969 | 5,260 | | | 16,883 | 17,887 |
| China, People's Rep. | 1,957 | 2,550 | 2,600 | 2,750 | 105 | 0 | | | 610 | 700 | | | 2,445 | 3,100 |
| India | 4,113 | 5,464 | 6,040 | 6,000 | 262 | 924 | | | 0 | 0 | | | 4,416 | 4,455 |
| Japan | 485 | 471 | 565 | 574 | 9 | 2 | | | 2,461 | 2,320 | | | 2,903 | 2,730 |
| Philippines | 1,951 | 2,936 | 2,675 | 2,300 | 1,300 | 1,228 | | | 0 | 0 | | | 647 | 775 |
| Oceania | 2,813 | 3,260 | 3,698 | 3,700 | 1,990 | 2,170 | | | 0 | 0 | | | 783 | 856 |
| Australia | 2,467 | 2,989 | 3,405 | 3,400 | 1,668 | 2,022 | | | 0 | 0 | | | 755 | 761 |
| World Total | 70,908 | 82,060 | 87,266 | 90,656 | 21,854 | 22,448 | | | 22,762 | 23,039 | | | 73,011 | 79,520 |

SOURCE: Foreign Agricultural Service.

Table 22--World coffee production and exportable production

| | Production | | | | | Exportable production 1/ | | | | |
|------------------|-----------------------------|------------|------------|------------|--------------------------------|--------------------------|------------|------------|-----------|-----------|
| | Average : 1969/70-71/72: | : 1975/76: | : 1976/77: | : 1977/78: | Average 2/ : 1969/70-71/72: | : 1975/76: | : 1976/77: | : 1977/78: | 2/ | |
| | - - - - - | - - - - - | - - - - - | - - - - - | 1,000 bags (60 kg each)- | - - - - - | - - - - - | - - - - - | - - - - - | - - - - - |
| Latin America | 40,552 | 48,878 | 35,967 | 45,012 | 25,955 | 34,801 | 23,171 | 31,770 | | |
| Mexico | 3,225 | 4,200 | 3,800 | 4,100 | 1,696 | 2,660 | 2,550 | 2,900 | | |
| Guatemala | 1,897 | 2,149 | 2,534 | 2,550 | 1,648 | 1,859 | 2,236 | 2,243 | | |
| El Salvador | 2,423 | 2,328 | 2,800 | 2,700 | 2,268 | 2,158 | 2,525 | 2,170 | | |
| Brazil | 17,450 | 23,000 | 9,300 | 17,000 | 8,867 | 15,000 | 2,300 | 10,000 | | |
| Colombia | 7,817 | 8,500 | 9,300 | 9,800 | 6,407 | 7,100 | 7,900 | 8,300 | | |
| Africa | 19,735 | 18,442 | 18,498 | 17,627 | 18,504 | 17,104 | 17,138 | 16,240 | | |
| Angola | 3,333 | 1,200 | 1,200 | 1,400 | 3,233 | 1,140 | 1,140 | 1,340 | | |
| Ethiopia | 2,083 | 1,900 | 2,000 | 2,000 | 1,422 | 1,175 | 1,275 | 1,275 | | |
| Ivory Coast | 4,358 | 5,133 | 4,700 | 3,600 | 4,295 | 5,066 | 4,633 | 3,517 | | |
| Uganda | 3,067 | 2,800 | 2,700 | 2,600 | 3,050 | 2,778 | 2,678 | 2,578 | | |
| Asia and Oceania | 5,209 | 6,368 | 6,746 | 6,987 | 2,646 | 3,557 | 3,804 | 4,028 | | |
| India | 1,417 | 1,478 | 1,791 | 1,917 | 960 | 729 | 941 | 1,050 | | |
| Indonesia | 2,267 | 2,865 | 2,820 | 2,953 | 1,423 | 1,965 | 1,920 | 2,053 | | |
| World | 65,496 | 73,688 | 61,171 | 69,626 | 47,105 | 55,462 | 44,113 | 52,038 | | |

1/ Total harvested production less estimated domestic consumption.
2/ Forecast.

Source: Foreign Agricultural Service.

Table 23--U.S. green coffee imports by country of origin, fiscal years 1968/69-1976/77

[illegible]

Source: Economic Research Service.

Table 24--World cocoa bean production

| Country and region | Average 1969/70-71/72 | 1975/76 | 1976/77 | 1977/78 1/ |
|--------------------|--------------------------|---------|---------|------------|
| | Thousand metric tons | | | |
| Latin America | 367.1 | 459.1 | 445.6 | 468.3 |
| Dominican Republic | 36.8 | 34.0 | 34.0 | 35.0 |
| Mexico | 26.8 | 33.0 | 34.0 | 34.0 |
| Brazil | 183.1 | 257.4 | 234.0 | 250.0 |
| Colombia | 16.6 | 26.0 | 28.0 | 31.0 |
| Ecuador | 59.3 | 64.0 | 69.0 | 70.0 |
| Venezuela | 18.7 | 19.3 | 16.6 | 21.0 |
| Africa | 1,088.0 | 1,003.7 | 868.7 | |
| Cameroon | 114.6 | 96.0 | 82.0 | 95.0 |
| Ghana | 423.4 | 397.0 | 325.0 | 340.0 |
| Ivory Coast | 192.9 | 231.0 | 230.0 | 250.0 |
| Nigeria | 271.0 | 217.0 | 165.0 | 210.0 |
| Asia and Oceania | 41.0 | 58.1 | 60.9 | 63.9 |
| Malaysia | 3.5 | 16.0 | 20.0 | 22.0 |
| Papua/N. Guinea | 27.1 | 31.3 | 30.0 | 31.0 |
| World | 1,496.1 | 1,518.0 | 1,358.7 | 1,483.0 |
| 1/ Forecast. | | | | |

Source: Foreign Agricultural Service.

Table 25--U.S. imports of cocoa beans by country of origin,
fiscal years 1968/69-1976/77

| Country and region | : 1968/69- : 1970/71 : Average | : : 1974/75 : | : : 1975/76 : | : : 1976/77 : |
|--------------------|---|---------------------|---------------------|---------------------|
| | : - - - - - 1,000 metric tons - - - - - | | | |
| Latin America | : 106.5 | : 88.8 | : 130.4 | : 79.5 |
| Brazil | : 49.3 | : 37.5 | : 80.3 | : 29.3 |
| Dominican Republic | : 27.5 | : 21.4 | : 22.6 | : 25.5 |
| Ecuador | : 12.4 | : 17.1 | : 11.0 | : 5.4 |
| Venezuela | : 3.9 | : 3.5 | : 4.5 | : 1.8 |
| Africa | : 139.0 | : 78.9 | : 129.0 | : 107.0 |
| Ghana | : 91.7 | : 41.0 | : 51.5 | : 36.0 |
| Ivory Coast | : 20.9 | : 21.5 | : 29.9 | : 43.3 |
| Nigeria | : 23.7 | : 11.6 | : 44.0 | : 26.7 |
| Asia and Oceania | : 5.9 | : 13.8 | : 17.0 | : 6.5 |
| Papua/New Guinea | : 5.6 | : 12.9 | : 14.7 | : 5.6 |
| World <u>1/</u> | : 252.0 | : 182.1 | : 276.5 | : 193.1 |

1/ Includes minor other exports.

Source: Economic Research Service.

Table 26.--World cotton production, trade, and mill consumption, 1969/70-1977/78

| Country and region | Production | | | Exports | | | Imports | | | Consumption | | |
|----------------------|-------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|---------------|---------------|
| | 1969/70- 71/72 | 1975/76 1/ | 1977/78 1/ | 1969/70- 71/72 | 1975/76 1/ | 1977/78 1/ | 1969/70- 71/72 | 1975/76 1/ | 1977/78 1/ | 1969/70- 71/72 | 1975/76 1/ | 1977/78 1/ |
| | | | | | | | | | | | | |
| United States | 10.2 | 8.3 | 10.6 | 14.4 | 3.4 | 3.3 | 4.8 | 4.5 | .1 | 8.2 | 7.3 | 6.7 |
| USSR | 10.1 | 11.6 | 12.1 | 12.7 | 2.5 | 3.9 | 4.0 | 4.1 | 1.0 | 8.2 | 8.7 | 8.8 |
| China, People's Rep. | 9.2 | 11.0 | 10.8 | 10.7 | .1 | .2 | 0.2 | 0.1 | .5 | 9.5 | 12.2 | 12.1 |
| India | 5.1 | 5.3 | 4.9 | 5.4 | .2 | .3 | --- | --- | .7 | 5.4 | 6.2 | 5.8 |
| Pakistan | 2.7 | 2.4 | 1.9 | 2.4 | .7 | .4 | 0.1 | 0.4 | --- | 2.0 | 2.2 | 1.8 |
| Brazil | 2.8 | 1.8 | 2.5 | 2.2 | 1.5 | .4 | 0.1 | 0.2 | --- | 1.4 | 1.9 | 2.0 |
| Egypt | 2.4 | 1.8 | 1.8 | 2.0 | 1.4 | .8 | 1.0 | 0.9 | --- | .9 | 1.0 | 1.2 |
| Turkey | 2.0 | 2.2 | 2.2 | 2.8 | 1.3 | 2.2 | 0.6 | 1.2 | --- | 0.2 | 1.3 | 1.5 |
| Mexico | 1.6 | .9 | 1.0 | 1.5 | 1.0 | .5 | 0.5 | 0.7 | --- | .7 | .8 | 0.7 |
| Central America | 0.9 | 1.2 | 1.5 | 1.7 | .8 | 1.3 | 1.4 | 1.5 | --- | .1 | .2 | 0.2 |
| Sudan | 1.1 | .4 | 0.7 | 0.8 | 1.0 | 1.0 | 0.6 | 0.8 | --- | .1 | .1 | 0.1 |
| EC-9 | --- | --- | --- | --- | .1 | .1 | 0.2 | 0.1 | 4.4 | 4.0 | 3.6 | 3.7 |
| Eastern Europe | 0.1 | .1 | 0.1 | 0.1 | --- | --- | --- | --- | 2.7 | 2.9 | 2.9 | 2.9 |
| Japan | --- | --- | --- | --- | --- | .3 | 0.1 | 0.1 | 3.6 | 3.5 | 3.0 | 2.7 |
| Hong Kong | --- | --- | --- | --- | --- | --- | 0.1 | 0.1 | .7 | 3.3 | 3.0 | 2.8 |
| Taiwan | --- | --- | --- | --- | --- | --- | --- | --- | --- | .7 | 1.1 | 0.9 |
| Korea, Rep. of | --- | --- | --- | --- | --- | --- | --- | --- | .6 | .6 | .9 | 0.8 |
| Other | 2.3 | 7.2 | 8.1 | 8.6 | 4.0 | 4.2 | --- | --- | .5 | .5 | .9 | 1.0 |
| World Total | 55.5 | 54.2 | 58.2 | 65.3 | 18.0 | 19.0 | 17.6 | 18.8 | 18.3 | 56.4 | 62.1 | 61.3 |
| 1/ Preliminary | | | | | | | | | | | | 61.6 |

SOURCE: Foreign Agricultural Service.

Table 28--World leaf tobacco production in selected regions and countries, average 1969-71 and annual 1974-77

| Region and Country | Average 1969-71 | 1974 | 1975 | 1976 <u>1/</u> | 1977 <u>2/</u> | Percent change 1976/77 |
|----------------------------|--------------------|-------|-------|------------------------------|----------------|------------------------------|
| | | | | 1,000 Metric tons <u>3/-</u> | | |
| North American | 1,065 | 1,190 | 1,241 | 1,233 | 1,142 | -9 |
| United States | 819 | 904 | 992 | 971 | 874 | -11 |
| Canada | 107 | 115 | 106 | 82 | 104 | +27 |
| Mexico | 61 | 67 | 52 | 64 | 57 | -12 |
| Other North America | 79 | 104 | 91 | 116 | 107 | -18 |
| South America | 341 | 426 | 498 | 470 | 503 | +7 |
| Brazil | 193 | 226 | 286 | 258 | 281 | +9 |
| Argentina | 60 | 98 | 97 | 95 | 81 | -17 |
| Colombia | 44 | 41 | 58 | 39 | 64 | +64 |
| Other South America | 44 | 61 | 57 | 78 | 77 | -1 |
| West Europe | 242 | 262 | 327 | 352 | 314 | -11 |
| EC-9 | 134 | 156 | 180 | 182 | 174 | -6 |
| Greece | 84 | 81 | 118 | 139 | 112 | -24 |
| Spain | 22 | 22 | 27 | 29 | 24 | -21 |
| Other West Europe | 2 | 3 | 3 | 2 | 3 | +50 |
| East Europe | 320 | 344 | 414 | 474 | 402 | -17 |
| Bulgaria | 115 | 140 | 162 | 167 | 150 | -11 |
| Poland | 82 | 65 | 102 | 124 | 100 | -24 |
| Yugoslavia | 44 | 59 | 58 | 75 | 62 | -21 |
| Other East Europe | 79 | 80 | 82 | 108 | 90 | -20 |
| USSR | 255 | 313 | 298 | 303 | 300 | -1 |
| Asia | 2,055 | 2,387 | 2,294 | 2,445 | 2,444 | --- |
| People's Republic of China | 771 | 984 | 960 | 970 | 975 | +1 |
| India | 353 | 462 | 363 | 350 | 414 | +18 |
| Turkey | 154 | 203 | 200 | 315 | 223 | -41 |
| Japan | 160 | 151 | 166 | 176 | 176 | --- |
| Indonesia | 112 | 78 | 83 | 80 | 84 | +5 |
| Pakistan <u>4/</u> | 162 | 17 | 116 | 105 | 123 | +17 |
| Philippines | 87 | 79 | 66 | 89 | 84 | -6 |
| South Korea | 60 | 96 | 104 | 112 | 138 | +23 |
| Thailand | 44 | 53 | 63 | 68 | 70 | +3 |
| Other Asia | 152 | 4 | 173 | 180 | 157 | -15 |
| Africa | 194 | 230 | 244 | 256 | 268 | +5 |
| Rhodesia | 64 | 80 | 95 | 103 | 88 | -17 |
| South Africa | 35 | 34 | 27 | 32 | 39 | +21 |
| Malawi | 20 | 27 | 35 | 38 | 53 | +39 |
| Other Africa | 75 | 89 | 87 | 83 | 88 | +6 |
| Oceania | 20 | 18 | 20 | 18 | 20 | +11 |
| Australia | 16 | 15 | 17 | 15 | 17 | +13 |
| New Zealand | 4 | 3 | 3 | 3 | 3 | --- |
| World Total | 4,492 | 5,170 | 5,336 | 5,554 | 5,427 | -2 |

Note: Individual items may not precisely add to totals because of rounding.

1/ Subject to revision.

2/ Preliminary.

3/ Farm - sales - weight.

4/ Includes Bangladesh.

Sources: Foreign Agricultural Service, Economic Research Service, and U.S. Agricultural Attache Tobacco reports.

Table 29--Unmanufactured tobacco exports by selected countries, average
1969-71 and annual 1973-76

| Country | Average 1969-71 | 1973 | 1974 | 1975 | 1976 <u>1/</u> |
|-----------------------|-----------------------------|-------|-------|-------|----------------|
| | 1,000 metric tons <u>2/</u> | | | | |
| United States | 236 | 278 | 296 | 255 | 262 |
| Brazil | 54 | 65 | 93 | 98 | 101 |
| Bulgaria | 60 | 69 | 69 | 68 | 68 |
| India | 53 | 83 | 81 | 78 | 80 |
| Turkey | 75 | 108 | 112 | 66 | 80 |
| Italy | 12 | 30 | 65 | 59 | 53 |
| Greece | 69 | 46 | 67 | 51 | 54 |
| South Korea | 17 | 22 | 41 | 40 | 54 |
| Philippine | 39 | 34 | 34 | 38 | 28 |
| Rhodesia | 30 | 36 | 36 | 42 | 54 |
| Dominican Republic of | 21 | 31 | 41 | 31 | 35 |
| Malawi | 18 | 27 | 27 | 31 | 32 |
| Canada | 28 | 28 | 34 | 27 | 26 |
| Indonesia | 11 | 33 | 27 | 20 | 20 |
| Yugoslavia | 18 | 18 | 19 | 25 | 15 |
| Argentina | 15 | 10 | 7 | 33 | 27 |
| Paraguay | 19 | 18 | 24 | 25 | 25 |
| Mexico | 10 | 18 | 26 | 17 | 17 |
| Colombia | 14 | 16 | 22 | 15 | 21 |
| West Germany | 7 | 11 | 11 | 10 | 10 |
| Sub-total | 806 | 981 | 1,132 | 1,029 | 1,062 |
| Other countries | 200 | 199 | 205 | 203 | 195 |
| World total | 1,006 | 1,180 | 1,337 | 1,232 | 1,257 |

Note: Individual items may not precisely add to totals because of rounding.

1/ Subject to revision.

2/ Declared weight.

Sources: Foreign Agricultural Service and Economic Research Service.

Table 30--U.S. exports of unmanufactured tobacco by major destination,
average 1969-71 and annual 1974-77

| Country of Destination | Average | | | | January- | September |
|---------------------------|---------------------------------|-------|-------|-------|--------------|--------------------|
| | 1969-71 | 1974 | 1975 | 1976 | 1976 | 1977 ^{1/} |
| | 1,000 Metric tons ^{2/} | | | | | |
| Japan | 18 | 50 | 37 | 60 | 35 | 21 |
| European Community | (143) | (134) | (125) | (107) | (75) | (85) |
| United Kingdom | 48 | 43 | 36 | 33 | 19 | 17 |
| West Germany | 45 | 44 | 41 | 33 | 25 | 29 |
| Italy | 10 | 11 | 14 | 15 | 15 | 17 |
| Netherlands | 16 | 14 | 14 | 11 | 9 | 11 |
| Denmark | 8 | 6 | 8 | 4 | 1 | 7 |
| Ireland | 5 | 5 | 4 | 4 | 2 | 2 |
| Belgium-Luxembourg | 7 | 7 | 4 | 3 | 2 | 2 |
| France | 4 | 4 | 4 | 4 | 2 | 1 |
| Switzerland | 10 | 10 | 12 | 11 | 10 | 10 |
| Egypt | 1 | 6 | 5 | 5 | 5 | 13 |
| Sweden | 7 | 7 | 7 | 6 | 5 | 6 |
| Thailand | 10 | 9 | 9 | 10 | 7 | 7 |
| Philippines | 3 | 5 | 6 | 7 | 6 | 6 |
| Australia | 6 | 9 | 7 | 5 | 3 | 5 |
| Taiwan | 4 | 11 | 7 | 6 | 4 | 5 |
| Malaysia | 4 | 5 | 3 | 3 | 2 | 4 |
| New Zealand | 2 | 2 | 2 | 2 | 1 | 2 |
| Sub-total | 208 | 248 | 220 | 222 | 153 | 164 |
| Other countries | 28 | 48 | 35 | 40 | 28 | 44 |
| World total | 236 | 296 | 255 | 262 | <u>3/181</u> | <u>4/208</u> |

Note: Individual items may not precisely add to totals because of rounding.

^{1/} Preliminary.

^{2/} Declared weight.

^{3/} Includes 4.62 thousand metric tons of bulk smoking tobacco.

^{4/} Includes 4.02 thousand metric tons of bulk smoking tobacco.

Sources: Foreign Agricultural Service and Economic Research Service.

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